

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

In re: AUGUSTUS ENERGY RESOURCES, LLC, ¹ Debtor.)))))	Chapter 11 Case No. 18-10580 (LSS) Related Docket No. 11
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**ORDER (A) APPROVING BIDDING PROCEDURES AND BID PROTECTIONS
IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S
ASSETS; (B) APPROVING THE FORM AND MANNER OF NOTICE THEREOF; (C)
SCHEDULING AN AUCTION AND SALE HEARING; (D) APPROVING
PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS;
AND (E) GRANTING RELATED RELIEF**

Upon the *Motion for Entry of (I) An Order (a) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor's Assets, (b) Approving the Form and Manner of Notice Thereof, (c) Scheduling an Auction and Sale Hearing, (d) Approving Procedures for the Assumption and Assignment of Contracts, and (e) Granting Related Relief and (II) An Order (a) Approving the Asset Purchase Agreement Between the Debtor and the Purchasers, (b) Authorizing the Sale of Substantially All of the Debtor's Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (c) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* (the "Motion")² of the above-captioned debtor and debtor in possession (the "Debtor") for entry of an order (this "Order"), (a) authorizing and approving the bidding procedures attached hereto as Exhibit 1 (the "Bidding Procedures") and the bid protections in connection with the sale of substantially all of Debtor's assets (the "Assets"),

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor's corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion or the Bidding Procedures, as applicable.

(b) approving the form and manner of notice of the Auction and the Sale Hearing with respect to the Assets, (c) scheduling an Auction and a Sale Hearing, and (d) approving procedures for the assumption and assignment of contracts; it appearing that the relief requested is in the best interests of the Debtor, its estate, its creditors, and other parties in interest, and notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, **THE COURT FINDS THAT:**

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The bases for the relief requested in the Motion are: (i) sections 105, 363, 365, 503, and 507 of the Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"); (ii) Rules 2002(a)(2), 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and (iii) Rules 2002-1, 6004-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").

D. Notice of the Motion has been given to: (a) the U.S. Trustee; (b) counsel for the creditors' committee, if any; (c) Wells Fargo Bank, N.A., acting in its capacity as the administrative agent and lender (the "Pre-Petition Lender") under the Debtor's pre-petition senior

secured credit facility; (d) the parties identified on the Debtor's list of thirty largest unsecured creditors; (e) the United States Attorney's Office for the District of Delaware; (f) the Internal Revenue Service; (g) the Environmental Protection Agency; (h) the office of the attorneys general for the states in which the Debtor operates; (i) the Securities and Exchange Commission; (j) the United States Bureau of Land Management; (k) the Colorado State Land Board; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002.

E. The Debtor has articulated good and sufficient reasons for this Court to: (i) approve the Bidding Procedures and Bid Protections; (ii) approve the manner of notice of the Auction and Sale Hearing; (iii) schedule the Auction and Sale Hearing, and (iv) approve the procedures for the assumption and assignment of the Contracts, including notice of proposed cure amounts.

F. The Expense Reimbursement (as defined in the Purchase Agreement): (i) shall, if triggered, be deemed an actual and necessary cost and expense of preserving the Debtor's estate, within the meaning of sections 503(b) and 507(a)(2) of the Bankruptcy Code, which shall be subject to any super-priority administrative expense claim of the Pre-Petition Lender pursuant to any applicable cash collateral order and the Carve-Outs; (ii) is commensurate to the real and substantial benefit conferred upon the Debtor's estate by the Stalking Horse Bidder; (iii) is reasonable and appropriate, including in light of the size and nature of the proposed Sale and comparable transactions, the commitments that have been made, and the efforts that have been and will be expended by the Stalking Horse Bidder, notwithstanding that the proposed Sale is subject to better and higher offers; and (iv) was necessary to induce the Stalking Horse Bidder to pursue the Sale and to be bound by the Purchase Agreement.

G. The Bid Protections and Initial Minimum Overbid were a material inducement to, and express condition of, the Stalking Horse Bidder's willingness to submit a bid through

execution of the Purchase Agreement that will serve as a minimum or floor bid on which the Debtor, its creditors, suppliers, vendors, and other bidders may rely. The Stalking Horse Bidder has provided a material benefit to the Debtor and its creditors by increasing the likelihood that, given the circumstances, the best possible price for the Assets will be received. Accordingly, the Bidding Procedures and the Bid Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtor's estate.

H. The Bidding Procedures and the Purchase Agreement were negotiated by the parties at arm's length and in good faith by the Debtor and the Stalking Horse Bidder.

I. *Sale Notice, Hard Consent Rights Notice, and Preferential Purchase Rights Notice.* The sale notice, substantially in the form attached hereto as Exhibit 2 (the "Sale Notice"), as well as the Hard Consent Rights Notice and Preferential Purchase Rights Notice, substantially in the form attached hereto as Exhibit 3 and Exhibit 4, respectively, are reasonably calculated to provide interested parties with timely and proper notice of the proposed Sale, including, without limitation: (i) the date, time, and place of the Auction (if one is held); (ii) the Bidding Procedures; (iii) the deadline for filing objections to the Sale and entry of the Sale Order, and the date, time, and place of the Sale Hearing; (iv) reasonably specific identification of the Assets to be sold; (v) instructions for promptly obtaining copies of the Purchase Agreement; (vi) a description of the Sale as being free and clear of liens, claims, encumbrances, and other interests (except as set forth in the applicable Purchase Agreement), with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the Sale proceeds; (vii) notice that the failure to timely object to the Sale could result in consent of the holder of a Hard Consent to be deemed provided or the holder of a Preferential Purchase Right to be deemed to have elected not to exercise such right, and to reserve all rights of the Debtor or any interested party to challenge

any asserted Hard Consent or Preferential Purchase Right in the context of the contemplated sale by Order of the Bankruptcy Court; (viii) notice of the proposed assumption and assignment of Contracts to the Stalking Horse Bidder pursuant to the Purchase Agreement (or to another Successful Bidder arising from the Auction, if any), and no other or further notice of the sale shall be required.

J. *Assumption and Assignment Procedures.* The Motion, this Order, and the assumption and assignment procedures set forth herein, including the Contract Notice and Assumption Notice, are reasonably calculated to provide counterparties to any Contracts to be assumed by the Debtor and assigned to the Successful Bidder with proper notice of the intended assumption and assignment of its Contracts, the procedures in connection therewith, and any cure amounts relating thereto.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.
2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court, are overruled.

II. Important Dates and Deadlines.

3. The following deadlines in connection with the sale process are hereby approved:

Event	Date
Debtor's Deadline to Serve Bidding Procedures and Sale Notice	Three (3) business days after entry of this Order
Debtor's Deadline to Serve Hard Consent Rights Notice and Preferential Purchase Rights Notice	Three (3) business days after entry of this Order
Debtor's Deadline to Serve Contract Notice	Three (3) business days after entry of this Order

Assumption/Assignment Cure Objection Deadline	Fourteen (14) days after service of Contract Notice
Bid Deadline	June 1, 2018
Notification of Qualified Bidders	June 5, 2018
Auction	June 8, 2018
Deadline to serve Notice of Successful Bidder and Back-up Bidder	June 11, 2018
Sale Objection Deadline	June 8, 2018
Sale Hearing	June 14, 2018 at 10:00 a.m.

4. **Notice of Successful Bidder.** The Debtor shall file a notice identifying the Successful Bidder by June 11, 2018, at 6:00 p.m. (prevailing Eastern Time) or as soon as practicable if the Auction is extended.

5. **Sale Hearing.** The Sale Hearing shall commence on June 14, 2018, at 10:00 a.m. (prevailing Eastern Time) before the Honorable Laurie Selber Silverstein, at the Court, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801. Upon entry of this Order, the Debtor is authorized to perform any obligations of the Debtor set forth in the Purchase Agreement or other applicable Purchase Agreement that are intended to be performed prior to the Sale Hearing or entry of the Sale Order. The Sale Hearing may be adjourned by announcement in open Court or on the Court's calendar without any further notice required.

6. **Sale Objection Deadline.** Objections, if any, to the Sale must be made on or before 4:00 p.m. (prevailing Eastern Time), on or before seven (7) calendar days after the Bid Deadline (the "Sale Objection Deadline"). Objections must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual grounds for the objection and the specific grounds therefor; and (d) be filed with the Court and served so as to be *actually received* no later than the Sale Objection Deadline by the following parties (the "Notice Parties"):

Counsel to the Debtor	Co-Counsel to the Debtor
Davis Graham & Stubbs LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202 Attn.: Christopher L. Richardson and Kyler K. Burgi Telephone: (303) 892-9400 Email: chris.richardson@dgsllaw.com kyler.bergi@dgsllaw.com	Sullivan Hazeltine Allinson, LLC 901 N. Market Street, Suite 1300 Wilmington, Delaware 19801 Attn: William D. Sullivan, William Hazeltine Telephone: (302) 428-8191 Fax: (302) 428-8195 Email: bsullivan@sha-llc.com whazeltine@sha-llc.com
Counsel to the Pre-Petition Lender Under the Debtor's Senior Secured Credit Facility	Co-Counsel to the Pre-Petition Lender Under the Debtor's Senior Secured Credit Facility
Vinson & Elkins, LLP Trammell Crow Center 2001 Ross Avenue, Suite 3700 Dallas, Texas 75201-2975 Attn: William L. Wallander Tel.: (214) 220-7905 Email: bwallander@velaw.com	Womble Bond Dickinson 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19801 Attn: Ericka F. Johnson Tel.: (302) 252-4337 Email: ericka.johnson@wbd-us.com
The United States Trustee	Counsel to the Stalking Horse Bidder
Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 Attn: Linda Casey	Husch Blackwell, LP 111 Congress Avenue, Suite 1400 Austin, Texas 78701 Attn: Lynn H. Butler Tel.: 512-472-5456 Email: lynn.butler@huschblackwell.com

7. A party's failure to timely file or make an objection in accordance with this Order may forever bar the assertion of any objection to the Motion, entry of the Sale Order, and/or consummation of the Sale with the Successful Bidder pursuant to the applicable Purchase Agreement, including the assumption and assignment of the Assigned Contracts to the Successful Bidder pursuant to the applicable Purchase Agreement, and shall be deemed to constitute any such party's consent to entry of the Sale Order and consummation of the Sale and all transactions related thereto, including, without limitation, such assumption and assignment. All rights to the extent they exist are reserved for a party to later seek relief from the Court, and the Debtor and all other parties reserve all defenses.

8. **Bid Deadline.** The deadline by which all Bids for the Assets must be *actually received* by the parties specified in the Bidding Procedures is 4:00 p.m. (prevailing Eastern Time), on June 1, 2018 (the "Bid Deadline").

9. **Auction.** June 8, 2018 at 11:00 a.m. (prevailing Eastern Time) (9:00 a.m. prevailing Mountain time), is the date and time the Auction will be conducted, if one is needed. Such Auction will be held at the offices of Davis Graham & Stubbs LLP, 1550 17th Street, Suite 500, Denver, Colorado 80202, or such later time on such day or other place as the Debtor shall notify all Qualified Bidders who have submitted Qualified Bids. The Auction shall be transcribed by a court reporter. As set forth more fully in the Bidding Procedures, only Qualified Bidders shall be permitted to participate at the Auction, however, any party in interest may attend the Auction.

III. Auction, Bidding Procedures, Bid Protections, and Related Relief.

10. The Bidding Procedures, substantially in the form attached hereto as Exhibit 1, are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all Bids relating to the proposed sale of the Assets. Any party desiring to bid on the Assets shall comply with the Bidding Procedures and this Order. The Debtor is authorized to take any and all actions necessary to implement the Bidding Procedures.

11. OWN Resources, LLC is approved to be the Stalking Horse Bidder, which approval shall be concurrent with the Court's approval of the Hedge Agreements Motion. The Stalking-Horse Bidder is deemed a Qualified Bidder, and the Stalking Horse Bid as set forth in the Purchase Agreement is deemed a Qualified Bid.

12. If the Debtor does not receive any Qualified Bids (other than the Stalking Horse Bid) and the Pre-Petition Lender provides a written waiver of the Credit Bid Right (as defined in the Bidding Procedures): (a) the Debtor will not hold the Auction; (b) the Stalking Horse Bidder

will be deemed to be the Successful Bidder for the Assets; and (c) the Debtor shall be authorized to seek approval of the Purchase Agreement at the Sale Hearing.

13. If the Debtor receives one or more Qualified Bids from Qualified Bidders (other than the Stalking Horse Bidder), or if the Pre-Petition Lender indicates that it intends to exercise its Credit Bid Right, then the Debtor shall conduct the Auction in accordance with the Bidding Procedures.

14. Pursuant to Local Rule 6004-1(c)(ii): (a) each bidder participating at the Auction shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale, as set forth in the Bidding Procedures; (b) the Auction shall be conducted openly; and (c) the Auction shall be transcribed or videotaped.

15. The Pre-Petition Lender shall be deemed to be a Qualified Bidder and is not required to make any Deposit or submit any Bid Documents. Unless the Bankruptcy Court rules otherwise for cause pursuant to Bankruptcy Code Section 363(k), the Pre-Petition Lender (or its designated representative(s)) may credit bid at any time, in its sole and absolute discretion, any portion and up to the entire amount of the Pre-Petition Lender's claim in conjunction with any sale of the Assets. Upon exercise of the Credit Bid Right and notwithstanding anything herein, the Pre-Petition Lender's consultation rights with respect to the Debtor's determination of other Qualified Bidders under the Bidding Procedures shall be suspended. In addition, upon such exercise of the Credit Bid Right, the Pre-Petition Lender shall not be required to take title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), or be deemed to have taken title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), any individual asset, portion of the assets, or all of the Assets, and the Pre-Petition Lender shall have the right to designate any person or entity that is an affiliate of

the Pre-Petition Lender in its sole and absolute discretion that shall take title to the individual asset, portion of the assets, or all of the Assets that are subject to the Credit Bid Right. The Pre-Petition Lender shall not be a Backup Bidder unless the Pre-Petition Lender consents in writing otherwise.

16. Any credit bid made by a Successful Bidder must include a cash component sufficient to pay the Break-Up Fee and Expense Reimbursement of the Stalking Horse Bidder.

17. The Debtor, in consultation with the Pre-Petition Lender and representatives of the creditors' committee, if any, may (a) determine which Qualified Bid is the highest or otherwise best offer; (b) reject at any time before entry of an Order of the Bankruptcy Court approving the Successful Bid, any Bid (other than the Stalking Horse Bid) that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bidding Procedures, or (iii) contrary to the best interests of the Debtor's estate and its creditors; and (c) at or before the conclusion of the Auction, may impose such other terms and conditions upon Qualified Bidders (except the Stalking Horse Bidder) as it determines to be in the best interests of the Debtor's estate in this case.

18. No person or entity, other than the Stalking Horse Bidder, shall be entitled to any expense reimbursement, break-up fees, "topping," termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or to file with this court any request for expense reimbursement or any fee of any nature, whether by virtue of section 503(b) of the Bankruptcy Code or otherwise.

19. The Bid Protections are approved on the terms set forth in the Purchase Agreement. The Debtor is authorized to pay any and all such amounts owing to the Stalking Horse Bidder on account of the Bid Protections in accordance with the terms of the Purchase Agreement, with the Break-Up Fee paid from cash proceeds at the closing of an Alternative Transaction or Alternative

Transactions from cash proceeds received by the Debtor from such closing, in accordance with the Purchase Agreement, without further action or order by the Court and as and when due and payable under the Purchase Agreement.

20. The Expense Reimbursement (if payable under the Purchase Agreement in accordance with its terms and the terms of this Order) shall be an allowed administrative expense claim in the Debtor's chapter 11 case pursuant to sections 503(b)(1) and 507(a)(2), subject to any super-priority administrative expense claim of the Pre-Petition Lender pursuant to any orders on cash collateral and the Carve-Out.

IV. Sale Hearing Notice, Hard Consent Rights Notice, and Preferential Purchase Rights Notice.

21. The form Sale Notice, Hard Consent Rights Notice, and Preferential Purchase Rights Notice are hereby approved. On or within three (3) business days following entry of this Order, the Debtor shall cause the Sale Notice to be served on: (a) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (b) counsel to the creditors' committee, if any; (c) counsel to the Stalking-Horse Bidder; (d) counterparties to the Contracts (the "Contract Counterparties"); (e) all parties who have expressed a written interest in some or all of the Assets; (f) all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any lien, encumbrance, claim, or interest in the Assets, and their respective counsel, if known, including the Pre-Petition Lender's counsel; (g) the Internal Revenue Service; (h) all applicable state and local taxing authorities; (i) all the Debtor's other creditors; (j) each member of the Royalty Claimants Class; (k) counsel for the Royalty Claimants Class; (l) the United States Bureau of Land Management; (m) the Colorado State Land Board; (n) each governmental agency that is an interested party with respect to the Sale and the transactions proposed thereunder; and (o) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

22. The Debtor is authorized to publish an abbreviated version of the Sale Notice in *The USA Today (National Edition)*, *The Denver Post*, *the Wray Gazette* and *The DailyDAC*, at least twenty (20) days prior to the Auction.

23. On or within three (3) business days following entry of this Order, the Debtor shall cause the Hard Consent Rights Notice and Preferential Purchase Rights Notice to be served on holders of Hard Consent rights and Preferential Purchase Rights, respectively, as such terms are defined in the Purchase Agreement. Notice to the holder of a Hard Consent or Preferential Purchase in the manner shall: (i) be deemed to constitute material compliance with any contractual provisions applicable to a Hard Consent requiring such holder's consent to the transactions contemplated under the Purchase Agreement or governing written notice of a proposed transaction with respect to a particular Preferential Purchase Right, respectively; (ii) commence any notice period applicable under the contractual provisions governing such Hard Consent that affords such holder a period to provide, waive, satisfy, or withhold such holders' consent to assignment of the applicable lease and commence any notice period applicable under the contractual provisions governing such Preferential Purchase Right a period of time to exercise such right, respectively. Any holder of a Hard Consent right or a Preferential Purchase Right that does not file an objection by the deadline to object to the Sale shall be deemed to have consented to the Sale or deemed to have elected not to exercise its Preferential Purchase Right, respectively, and (iii) be deemed to expressly reserve all rights of the Debtor or other interested parties to challenge any asserted Hard Consent or Preferential Purchase Right in any sale by Order of this Court.

V. Assumption and Assignment Procedures.

24. The following procedures regarding the assumption and assignment of the Contracts in connection with the Sale are approved to the extent set forth herein, and shall govern the assumption and assignment of all Contracts proposed to be assumed by the Debtor pursuant to

section 365(b) of the Bankruptcy Code and assigned to the Stalking Horse Bidder (or other Successful Bidder following the Auction, if any) pursuant to section 365(f) of the Bankruptcy Code under the Purchase Agreement.

25. *Notices for Contracts.* Within three (3) business days after the entry of this Order, or as soon as reasonably practicable if the Auction is extended, the Debtor shall serve on all non-Debtor counterparties to any Contract (the “Contract Notice Parties”) that may be assumed by the Debtor and assigned to the Successful Bidder a “Contract Notice,” substantially in the form attached hereto as Exhibit 5, that: (a) identifies, to the extent possible, the Contract that may be assumed and assigned; (b) identifies, to the extent possible, the name of the non-Debtor counterparty to such Contract; (c) identifies, to the extent possible, the Debtor’s asserted cure amount for such Contract if it becomes assumed and assigned; (d) identifies the deadlines by which any such Contract counterparty must file an objection (each, a “Contract Objection”) to the proposed cure amount, assumption and assignment, or adequate assurance; (e) identifying the Stalking Horse Bidder; and (f) provides the Contract counterparties with the Stalking Horse Bidder’s assurance of future performance; *provided* that the presence of a Contract on a Contract Notice does not constitute an admission that such Contract is an executory contract or unexpired lease; *provided, further*, that the presence of a Contract on the Contract Notice or Assumption Notice shall not prevent the Debtor from subsequently withdrawing such request for assumption or rejecting such Contract at any time before such Contract is actually assumed and assigned pursuant to an Order of the Court. Such Contract Notice shall be without prejudice to the Stalking Horse Bidder’s rights under Section 6.6(b) of the Purchase Agreement to subsequently exclude such items from assumption and assignment or add additional items. As soon as practicable after the Bid Deadline, the Debtor shall file with the Court and serve on the Contract Notice Parties who

are parties to an Assigned Contract to be assumed and assigned a further notice substantially in the form attached hereto as Exhibit 6 (the "Assumption Notice") identifying all Qualified Bidders each of whom will be permitted to participate in the Auction, stating which Contracts may be assumed and assigned, and providing such parties with the Qualified Bidders' assurance of future performance. To the extent the Debtor subsequently identifies prior to the Sale Hearing any additional Assigned Contracts to be assumed by the Debtor and assigned to the Successful Bidder, the Debtor shall serve on any counterparty to such Contract the Contract Notice and/or Assumption Notice, as applicable, along with the Successful Bidder's assurance of future performance, as soon as practicable. Such counterparty shall have fourteen (14) days from service of the Contract Notice and/or Assumption Notice with respect to any such additional Assigned Contracts to be assumed, as applicable, to file an objection to the proposed cure amount or assumption and assignment of its Contract in accordance with the procedures set forth herein.

26. *Objections to Assumption of Contracts.* Any non-Debtor counterparty to a Contract who objects to the cure or assignment of their Contracts (the "Objecting Party") shall file a Contract Objection pursuant to the following procedures:

- *Contract Objection.* All Contract Objections to the cure amounts listed in the Contract Notice, the Debtor's ability to assign a Contract, or adequate assurance of future performance solely by the Stalking Horse Bidder shall be filed with the Court on or before fourteen (14) calendar days from service of the Contract Notice.
- *Supplemental Adequate Assurance Objection.* All Contract Objections to adequate assurance of future performance of Contracts by any Successful Bidder other than the Stalking Horse Bidder shall be filed with the Court at or prior to the Sale Hearing; *provided* that for parties identified on any supplemental Assumption Notice issued by the Debtor after the initial Assumption Notice, such parties shall have seven (7) days from service of such notice to file such Contract Objection.
- *No Objection.* If no Objection is received in accordance with the deadlines set forth above, such counterparty: (a) shall be deemed to have consented to the cure amounts and assumption and assignment of its Contract to the Successful Bidder; (b) shall be forever barred, estopped, and enjoined from asserting any additional cure amount under the Contracts; and (c) shall be forever barred from objecting to

the assignment of the Contracts to the Successful Bidder or the adequacy of the Successful Bidder's assurance of future performance.

- **Resolution Period.** If any timely filed Contract Objection cannot be resolved by the Successful Bidder and the Objecting Party, the Court shall resolve such Contract Objection prior to assumption and assignment of such designated Contract, and upon entry of an order by the Court resolving such Contract Objection, the assignment, if approved by the Court, shall be deemed effective as of the date such Objecting Party receives the Assumption Notice. To the extent that any Contract Objection cannot be resolved by the parties, such Contract shall be assumed and assigned only upon satisfactory resolution of the Contract Objection, to be determined in the Stalking Horse Bidder's or other Successful Bidder's reasonable discretion, and until such time as the Contract Objection can be resolved, the Contract shall be conditionally assumed and assigned pending a resolution of the Contract Objection after notice and a hearing.
- **Form of Objections.** Contract Objections must: (a) be in writing; (b) state with specificity the nature of such objection and alleged cure amount, including applicable and appropriate documentation in support of such alleged cure amount; and (c) comply with the Bankruptcy Rules and the Local Rules.

VI. Miscellaneous.

27. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

28. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

29. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: April 27, 2018
Wilmington, Delaware



The Honorable Laure Selber Silverstein
United States Bankruptcy Judge

Exhibit 1 to Bidding Procedures Order

Bidding Procedures

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

In re:)	Chapter 11
)	
AUGUSTUS ENERGY RESOURCES, LLC, ¹)	Case No. 18- Case No. 18-10580 (LSS)
)	
Debtor.)	

**BIDDING PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF DEBTOR'S ASSETS**

On March 15, 2018, Augustus Energy Resources, LLC ("Augustus Resources" or "Debtor"), entered into an asset purchase agreement (the "Purchase Agreement") with Own Resources, LLC (the "Stalking Horse Bidder") pursuant to which the Stalking Horse Bidder proposes to purchase, acquire, and take assignment and delivery of, free and clear of all liens, claims, encumbrances, and other interests (except as otherwise provided in the Purchase Agreement), substantially all of the assets of the Debtor (the "Assets").

On April __, 2018, the United States Bankruptcy Court for the District of Delaware (the "Court") entered an order approving these bidding procedures (these "Bidding Procedures," and such order, the "Bidding Procedures Order"),² in the Debtor's chapter 11 case (the "Chapter 11 Case"). The Bankruptcy Court will have jurisdiction with respect to any dispute that may arise with respect to these Bidding Procedures.

These Bidding Procedures set forth the process by which the Debtor is authorized to conduct an auction for the sale (the "Sale") of the Assets.

The Debtor selected the Stalking Horse Bid (as defined below) after a closed bidding process (the "Stalking Horse Bidding Process"). After announcing the Stalking Horse Bid, the Debtor will conduct a round of open bidding (the "Open Bidding Process") culminating in an auction intended to obtain a higher or otherwise best bid for the Sale (the "Auction").

I. Submissions to the Debtor.

All submissions to Debtor required to be made under these Bidding Procedures must be directed to the following, collectively, the "Debtor's Representatives":

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor's corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Bidding Procedures Order.

Debtor. Augustus Energy Resources, LLC, Attn.: Steven D. Durrett (sdurrett@augustusenergy.com);

Counsel. Counsel to the Debtor, Davis Graham & Stubbs LLP, Attn.: Christopher L. Richardson (chris.richardson@dgslaw.com) and Kyler K. Burgi (kyler.burgi@dgslaw.com); Sullivan Hazeltine Allinson, LLC, Attn.: William D. Sullivan (wsullivan@sha-llc.com); and William Hazeltine (whazeltine@sha-llc.com)

Financial Advisor. Financial advisor to the Debtor, TenOaks Energy Partners, LLC, Attn.: B.J. Brandenberger (brandenberger@tenoaksadvisors.com).

The Debtor's Representatives shall reasonably promptly send all such submissions to Wells Fargo Bank, N.A., acting in its capacity as the administrative agent and lender (the "Pre-Petition Lender") under the Debtor's pre-petition senior secured credit facility, and the Committee Representatives, if any (as defined below).

II. Participation Requirements.

A. Potential Bidders.

To participate in the bidding process under these Bidding Procedures, a person or entity (other than the Pre-Petition Lender exercising its Credit Bid Right (as defined below)) interested in consummating the Sale (a "Potential Bidder") must deliver or have previously delivered, if determined to be necessary by the Debtor in its sole discretion by no later than May 21, 2018:

1. an executed confidentiality agreement on terms acceptable to the Debtor (a "Confidentiality Agreement"); and
2. preliminary proof by the Potential Bidder of its financial capacity to close a proposed transaction, which may include financial statements of, or verified financial commitments obtained by, the Potential Bidder (or, if the Potential Bidder is an entity formed for the purpose of acquiring the Assets, the party that will bear liability for a breach), the adequacy of which will be assessed by the Debtor and its advisors in their sole discretion.

B. Notice of Acceptable Bidder.

The Debtor's advisors will notify each Potential Bidder whether such Potential Bidder has submitted adequate documentation so that such Potential Bidder (each, an "Acceptable Bidder") may submit a Bid (as defined herein); *provided* that the Debtor shall consult with the Pre-Petition Lender and the official committee of unsecured creditors, if one exists, (the "Committee") in the event it determines that a Potential Bidder does not constitute an Acceptable Bidder. Notwithstanding anything herein to the contrary, the Debtor reserves the right to work with Potential Bidders to aggregate Bids into a consolidated Acceptable Bid prior to the Acceptable Bid Deadline. The Stalking Horse Bidder and the Pre-Petition Lender exercising its Credit Bid Right shall each be deemed an Acceptable Bidder and a "Qualified Bidder" (as defined below) at all times.

III. Obtaining Due Diligence Access.

Only Acceptable Bidders shall be eligible to receive due diligence information and access to the Debtor's electronic data room and to additional non-public information regarding the Debtor. *Other than the Pre-Petition Lender exercising its Credit Bid Right, no Acceptable Bidder will be permitted to conduct any due diligence without entry into a Confidentiality Agreement.* The Debtor will provide to each Acceptable Bidder reasonable due diligence information, as requested by such Acceptable Bidder in writing, as soon as reasonably practicable after such request, and the Debtor shall post substantially all written due diligence provided to any Acceptable Bidder to the Debtor's electronic data room. The due diligence period will end on the Bid Deadline (as defined herein) and subsequent to the Bid Deadline the Debtor shall have no obligation to furnish any due diligence information.

In connection with the provision of due diligence information to Acceptable Bidders, the Debtor shall not furnish any confidential information relating to the Assets, liabilities of the Debtor, or the Sale to any person except to an Acceptable Bidder or to such Acceptable Bidder's duly authorized representatives to the extent provided in the applicable Confidentiality Agreement.

The Debtor and its advisors shall coordinate all reasonable requests from Acceptable Bidders for additional information and due diligence access; *provided* that the Debtor may decline to provide such information to Acceptable Bidders who, at such time and in the Debtor's reasonable business judgment, have not established, or who have raised doubt, that such Acceptable Bidder intends in good faith to, or has the capacity to, consummate the Sale.

All due diligence requests must be directed to, TenOaks Energy Partners, LLC, Attn.: B.J. Brandenberger (brandenberger@tenoaksadvisors.com).

A. Communications with Qualified Bidders.

Notwithstanding anything to the contrary in these Bidding Procedures, all substantive direct communications with Acceptable Bidders and Qualified Bidders shall be through the Debtor's Representatives.

B. Due Diligence from Qualified Bidders.

Each Qualified Bidder shall comply with all reasonable requests for additional information and due diligence access requested by the Debtor or its advisors regarding the ability of such Qualified Bidder to consummate its contemplated transaction. Failure by a Qualified Bidder to comply with such reasonable requests for additional information and due diligence access may be a basis for the Debtor to determine that such bidder is no longer a Qualified Bidder or that a Bid made by such bidder is not a Qualified Bid.

IV. Pre-Petition Lender and Committee Access and Information.

The Debtor and the Debtor's Representatives shall regularly consult with, and make the same information that is provided to Acceptable Bidders and the Debtor available to the Pre-Petition Lender and representatives of the Committee, if any, including but not limited to the Committee's professionals (the "Committee Representatives").

The Debtor and its advisors and representatives will reasonably and promptly consult with the Pre-Petition Lender and the Committee Representatives, if any, with respect to negotiations with Acceptable Bidders and Qualified Bidders, the terms and conditions of draft agreements with Acceptable Bidders and Qualified Bidders, and the progress of the Open Bidding Process and the Auction.

The Debtor shall also reasonably provide the Pre-Petition Lender and the Committee Representatives, if any, with relevant information the Debtor receives relating to any Bidders or Bids, including, but not limited to, information regarding the identity of all Potential Bidders, Acceptable Bidders, and Qualified Bidders, the terms and conditions of any Bid, the structure (including, without limitation, the proposed tax structure) and form of consideration of any Bid, other information related to the Bid Requirements, and any other information reasonably necessary to evaluate the Bids (such information, the "Bid Information").

V. Due Diligence from Acceptable Bidders and Confidentiality.

If an Acceptable Bidder proposes a Bid that would make relevant the Debtor's or its creditors' need for information from the Bidder concerning the Bidder, the Acceptable Bidder shall comply with all reasonable requests for information from the Debtor and its advisors and representatives regarding the Acceptable Bidder (the "Bidder Due Diligence Information," and together with any Bid Information shared during the Stalking Horse Bidding Process, the "Bidder Confidential Information"). The Acceptable Bidder may request that the Debtor enter into a confidentiality agreement, if the Debtor has not done so, with respect to the Bidder Due Diligence Information satisfactory to the Debtor and the Acceptable Bidder. Failure by an Acceptable Bidder to comply with reasonable requests for information may be a basis for the Debtor and its advisors and representatives to determine that such bidder no longer qualifies as an Acceptable Bidder.

The Debtor and its advisors and representatives and the Committee Representatives, if any, shall be obligated to maintain in confidence any Bidder Confidential Information in accordance with any applicable confidentiality agreement, except as otherwise set forth in these Bidding Procedures. Each recipient of Bidder Confidential Information agrees to use, and to instruct its advisors and representatives to use, such Bidder Confidential Information only in connection with the evaluation of Bids during the Bidding Process or otherwise in connection with the Chapter 11 Case or in accordance with the terms of any applicable confidentiality agreement.

Notwithstanding the foregoing and the provisions contained in any applicable confidentiality agreement, the Debtor and the Debtor's Representatives, the Pre-Petition Lender, and the Committee Representatives, if any, may disclose Bidder Confidential Information, as applicable: (a) with the prior written consent of such Bidder and the Debtor; (b) to the Committee Representatives, if any, (who may share such information with members of the Committee pursuant to the terms of the Committee's bylaws); (c) to the applicable Bidder; (d) in accordance with the Open Bidding Process as set forth in these Bidding Procedures; (e) to the Pre-Petition Lender; and (f) as otherwise required or allowed by any applicable confidentiality agreement with respect to a particular Bidder or other agreement, law, court or other governmental order, or regulation, including, as appropriate, to regulatory agencies.

VI. Bid Requirements.

Any proposal, solicitation, or offer (each, a "Bid") shall be in cash, or by credit bid in the case of the Pre-Petition Lender exercising its Credit Bid Right, shall be submitted by an Acceptable Bidder, and shall be submitted on or before the Bid Deadline, in writing and determined by the Debtor, in its reasonable business judgment, and in consultation with the Pre-Petition Lender and the Committee Representatives, if any, to have satisfied the following requirements (collectively, the "Bid Requirements").

A. Consideration and Structure.

1. **Total Consideration.** The Bid must identify the amount of the total consideration to be provided to the Debtor in cash (or credit bid in the case of the Pre-Petition Lender exercising the Credit Bid Right) (the "Bid Value").
2. **Consolidated Bids.** Bids must identify whether or not the Acceptable Bidder is willing to aggregate its Bid into an acceptable consolidated Acceptable Bid with other Potential Bidders.
3. **Minimum Bid.** The aggregate cash consideration proposed by each Bid must be equal to, or exceed, the sum of (i) the Purchase Price of \$14,200,000; (ii) plus the Break-Up Fee of three percent (3%) of the Purchase Price (\$426,000); (iii) plus the Overbid Increment of at least \$100,000 ((i), (ii), and (iii) totaling \$14,726,000), and (iv) the Expense Reimbursement, not to exceed \$300,000.
4. **Deposit.** Each Bid, including the Bid of the Stalking Horse Bidder (the "Stalking Horse Bid"), but excluding the Bid of the Pre-Petition Lender if exercising its Credit Bid Right, must be accompanied by a cash deposit in the amount equal to 7.5% of the aggregate cash purchase price of the Bid to be held in a non-interest-bearing escrow account to be identified and established by the Debtor (the "Deposit").
5. **Same or Better Terms.** Except as otherwise provided herein, each Bid must, in the Debtor's business judgment and in consultation with the Pre-Petition Lender and the Committee Representatives, if any, be on terms the same as or better than the terms of the Purchase Agreement. Each Bid must include duly executed, non-contingent transaction documents necessary to effectuate the transactions contemplated in the Bid (the "Bid Documents") that are substantially similar to the Purchase Agreement. The Bid Documents shall include a schedule of Assumed Contracts (pursuant to the Purchase Agreement) to the extent applicable to the Bid, and a copy of the Purchase Agreement clearly marked to show all changes requested by the Acceptable Bidder (including those related to the Purchase Price and Assets to be acquired), as well as all other material documents integral to such Bid. Each Bid must (a) include as part of the Assets (as defined in the Purchase

Agreement) to be acquired all Hedge Transactions (as defined in the Purchase Agreement) held by Debtor, if such Hedge Transactions constitute Assets of the Debtor; and (b) include as part of the Assumed Liabilities (as defined in the Purchase Agreement) all Hedge Transactions (as defined in the Purchase Agreement) held by Debtor, if such Hedge Transactions constitute Assumed Liabilities.

6. **Sources of Financing.** Each Bid must indicate the source of cash consideration, including proposed funding commitments and confirm that such consideration is not subject to any contingencies. Each Bid should include a detailed sources and uses schedule and sufficient written evidence demonstrating that the Bidder has the necessary financial ability and/or has received debt and/or equity funding commitments (or has cash) sufficient in the aggregate to finance and consummate the Alternative Transaction contemplated thereby and provide adequate assurance of future performance under all Assigned Contracts to be assumed and assigned in such Alternative Transaction. Such information shall include the following:
 - (a) contact names and telephone numbers for verification of financing sources;
 - (b) the Bidder's current financial statements (audited if they exist) or other similar financial information reasonably acceptable to the Debtor; and
 - (c) any such other form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtor.
7. **Structure.** The Bid must identify the structure proposed for undertaking the Sale, including the specific assets of the Debtor, the proposed steps to accomplish such acquisition, and any financial, legal, or tax considerations upon which the Bid's proposed structure relies.
8. **Tax Structure.** The Bid must specify with particularity its tax structure, including whether it is intended to be structured in a tax-free manner or if any incremental tax liabilities will be incurred by the Debtor under the Bid.
9. **Assumption.** The Bid must specify which of the obligations of the Debtor the Bidder proposes to assume.

B. Other Requirements.

1. **Binding and Irrevocable.** The Bid must by its terms remain binding and irrevocable until three months after the date of selection of the Successful Bid; *provided* that if the Bid is not selected as the Successful Bid or Backup Bid, the Bid may be revoked after approval of such Successful Bid by the Bankruptcy Court.

2. ***Regulatory Approvals and Covenants.*** The Bid must describe in detail (a) the efforts that each party must utilize in connection with seeking and obtaining all regulatory approvals required to complete the Sale and (b) any limitations on the Bidder's obligation to take all actions necessary or advisable to obtain such regulatory approvals.
3. ***Transition Services.*** The Bid must set forth whether the Bidder will require transition services from the Debtor's contract service provider for the Assets and, if so, for what period of time and proposed economic terms.
4. ***Conditions to Closing.*** The Bid must identify with particularity each and every condition to Closing.
5. ***No Financing, Approval, or Diligence Outs.*** The Bid must not be conditioned on obtaining any of the following: (a) financing; (b) board of directors or other similar approval; or (c) the outcome or completion of a due diligence review by the Acceptable Bidder.
6. ***Due Diligence Acknowledgement.*** The Bid must include a written acknowledgement and representation that the Bidder: (a) has had an opportunity to conduct any and all due diligence regarding the Sale before making its offer; (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Sale in making its Bid; and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Sale or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidder's proposed form of definitive agreement.
7. ***No Collusion.*** The Bidder must acknowledge in writing (a) that it has not engaged in any collusion with respect to any Bids or the Sale, specifying that it did not agree with any Bidders or Potential Bidders to control price; and (b) agree not to engage in any collusion with respect to any Bids, the Auction, or the Sale.
8. ***Good Faith Offer.*** The Bid must constitute a good faith, bona fide offer to consummate the Sale.
9. ***Identification Information.*** The Bidder must fully disclose the identity of each entity or person that will be consummating the Sale or otherwise participating in connection with such Bid, and the complete terms of any such participation, along with sufficient evidence that the Bidder and each such entity is legally empowered, by power of attorney or otherwise, to complete the Sale on the terms contemplated by the parties.

10. **Consent to Jurisdiction.** The Bidder must submit to the jurisdiction of the Bankruptcy Court and waive any right to a jury trial in connection with any disputes relating to Debtor's qualification of Bids, the Auction, the construction and enforcement of these Bidding Procedures, and the Sale documents and the Closing, as applicable.
11. **Disclaimer of Fees.** Each Bid (other than the Stalking Horse Bid) must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation. For the avoidance of doubt, no Qualified Bidder (other than the Stalking Horse Bidder) will be permitted to request, nor be granted, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting its Bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code. This paragraph is not intended to limit the ability of the Pre-Petition Lender to seek reimbursement of its fees and expenses pursuant to other orders of the Bankruptcy Court in this Chapter 11 Case.

VII. Open Bid Requirements.

The Debtor will only consider Bids during the Open Bidding Process from Acceptable Bidders that satisfy the Bid Requirements. Multiple Bids will be permitted during the Open Bidding Process. In addition, Acceptable Bidders during the Open Bidding Process must satisfy the following requirements (the "Open Bid Requirements").

- A. **Minimum Value.** The aggregate cash consideration proposed by each Bid must be equal to, or exceed, the sum of (i) the Purchase Price of \$14,200,000; (ii) plus the Break-Up Fee of three percent (3%) of the Purchase Price (\$426,000); (iii) plus the Overbid Increment of at least \$100,000 ((i), (ii), and (iii) totaling (\$14,726,000), and (iv) the Expense Reimbursement, not to exceed \$300,000 (the "Initial Minimum Overbid").
- B. **Documentation.** The Bid must include a marked-up version of the Purchase Agreement.
- C. **No Bid Protections.** A Bid may not propose any bid protections.

Bids submitted during the Open Bidding Process and fulfilling all of the Bid Requirements and Open Bid Requirements may, at the Debtor's discretion, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, be deemed to be "Qualified Bids," and those parties submitting Qualified Bids may, at the Debtor's discretion, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, be deemed to be "Qualified Bidders." To be eligible to be selected as a Qualified Bidder, a Bidder must be an Acceptable Bidder and must submit a Bid via email (in .pdf or similar format) or other means that is **actually received** no later than **4:00 p.m. (prevailing Eastern Time) on June 1, 2018** (the "Bid Deadline") by the Debtor, counsel to the Debtor, the Debtor's financial advisor, co-counsel to the Debtor, the

Stalking-Horse Bidder, counsel to the Stalking-Horse Bidder, the Pre-Petition Lender, and counsel to the Pre-Petition Lender. Acceptable Bidders that do not submit a Bid by the Bid Deadline will not be eligible to be selected as Qualified Bidders.

By no later than **June 5, 2018** at 11:59 p.m. (prevailing Eastern Time), the Debtor shall determine which Acceptable Bidders are Qualified Bidders after consultation with the Pre-Petition Lender and the Committee's Representatives, if any, and will notify the Acceptable Bidders whether Bids submitted constitute Qualified Bids so as to enable such Qualified Bidders to bid at the Auction. Any Bid that is not deemed a Qualified Bid shall not be considered further by the Debtor. The Stalking Horse Bid shall constitute a Qualified Bid.

VIII. Auction.

If the Debtor receives a Qualified Bid, other than the Stalking Horse Bid, or if the Pre-Petition Lender indicates that it intends to exercise its Credit Bid Right (as defined below) within five (5) business days after receiving from the Debtor the Bids and Qualified Bids and such other information as the Pre-Petition Lender may reasonably request, the Debtor will conduct the Auction to determine the Successful Bidder. If the Debtor does not receive a Qualified Bid (other than the Stalking Horse Bid), the Debtor, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, will not conduct the Auction and shall designate the Stalking Horse Bidder's Qualified Bid as the Successful Bid unless the Pre-Petition Lender indicates that it intends to exercise its Credit Bid Right.

No later than **June 6, 2018** at 12:00 p.m. (prevailing Eastern Time), the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid, as determined in the Debtor's reasonable business judgment, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, (the "Baseline Bid"), and provide copies of the Bid Documents supporting the Baseline Bid to all Qualified Bidders. The determination of which Qualified Bid constitutes the Baseline Bid and which Qualified Bid constitutes the Successful Bid shall take into account any factors the Debtor, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, reasonably deem relevant to the value of the Qualified Bid to the Debtor's estate, including, among other things: (a) the number, type, and nature of any changes to the Purchase Agreement requested by the Qualified Bidder, including the type and amount of Assets sought and Assumed Obligations to be assumed in the Bid; (b) the total cash or credit bid consideration, as applicable; (c) the likelihood of the Bidder's ability to close a transaction, the conditions thereto, and the timing thereof; (d) the net economic effect of any changes to the value to be received by the Debtor's estate from the transaction contemplated by the Bid Documents; and (e) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria"); *provided* that the Debtor, with the Pre-Petition Lender's written consent, may allow Qualified Bid's to include cash equivalents or other forms of value acceptable to the Pre-Petition Lender.

The Auction shall take place at 11:00 a.m. (prevailing Eastern Time) or 9:00 a.m. (prevailing Mountain Time) on **June 8, 2018**, at the offices of Davis Graham & Stubbs LLP, 1550 17th Street, Suite 500, Denver, Colorado 80202, or such later date and time as selected by the Debtor. The Auction shall be conducted in a timely fashion according to the following procedures.

A. The Debtor Shall Conduct the Auction.

The Debtor and its professionals shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid. All incremental Bids made thereafter must be Overbids (as defined herein) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders. The Debtor shall maintain a written transcript of the Auction and a copy of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Successful Bid.

Any party in interest may attend the Auction, *provided that* only Qualified Bidders and their legal and financial advisors, the Pre-Petition Lender, and the Committee, if any, and their legal and financial advisors shall be entitled to bid and participate in the Auction. Qualified Bidders shall appear at the Auction in person and may speak or bid themselves or through duly authorized representatives.

B. Terms of Overbids.

“Overbid” means any cash bid (or credit bid in the case of the Pre-Petition Lender exercising its Credit Bid Right) made at the Auction by a Qualified Bidder subsequent to the Debtor’s announcement of the Baseline Bid. Each Overbid must comply with the following conditions.

1. ***Minimum Overbid Increment.*** Any Overbid following the Initial Minimum Overbid or following any subsequent Prevailing Highest Bid (as defined below) shall be in increments in cash (or credit bid in the case of the Pre-Petition Lender exercising its Credit Bid Right) of \$100,000 (the “Overbid Increment”).
2. ***Conclusion of Each Overbid Round.*** Upon the solicitation of each round of Overbids, the Debtor, following consultation with the Pre-Petition Lender and the Committee Representatives, if any, may announce a deadline (as the Debtor may, in its business judgment, extend from time to time, the “Overbid Round Deadline”) by which time any Overbids must be submitted to the Debtor.
3. ***Overbid Alterations.*** Each Overbid must contain the Overbid Increment and may contain alterations, modifications, additions, or deletions of any terms of the Bid no less favorable to the Debtor’s estate than any prior Qualified Bid or Overbid, as determined in the Debtor’s reasonable business judgment, following consultation with the Pre-Petition Lender and the Committee Representatives, if any, and shall otherwise comply with the terms of these Bidding Procedures.
4. ***Announcing Highest Bid.*** Subsequent to each Overbid Round Deadline, the Debtor shall announce whether the Debtor has identified, an Overbid as being higher or otherwise better than the Initial Minimum Overbid, in the initial Overbid round, or, in subsequent rounds, the Overbid previously

designated by the Debtor as the prevailing highest or otherwise best Bid (the "Prevailing Highest Bid"). The Debtor shall describe to all Qualified Bidders the material terms of any new Overbid designated by the Debtor as the Prevailing Highest Bid as well as the value attributable by the Debtor to such Prevailing Highest Bid based on, among other things, the Bid Assessment Criteria.

C. Consideration of Overbids.

The Debtor reserves the right, in its reasonable business judgment, and in consultation with the Pre-Petition Lender and the Committee Representatives, if any, to adjourn the Auction one or more times to, among other things (i) facilitate discussions between the Debtor and Qualified Bidders, (ii) allow Qualified Bidders to consider how they wish to proceed, and (iii) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment, may require, that the Qualified Bidder has sufficient resources or has received sufficient non-contingent funding commitments to consummate the proposed transaction at the prevailing Overbid amount; *provided that* notice of any adjournments made prior to the start of the Auction shall be filed (a) with the Court 24 hours in advance of the Auction in the event of any day or location changes and (b) as soon as practical for any changes in the time of the Auction.

D. Highest or Otherwise Best Bid.

When determining the highest or otherwise best Qualified Bid, as compared to other Qualified Bids, the Debtor, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, may consider the Bid Assessment Criteria.

E. Closing the Auction.

1. The Auction shall continue until there is only one Qualified Bid that the Debtor determines, in its reasonable business judgment and in consultation with the Pre-Petition Lender and the Committee Representatives, if any, to be the highest or otherwise best Qualified Bid. Such Qualified Bid shall be declared the "Successful Bid," and such Qualified Bidder, the "Successful Bidder" and at that point the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then Prevailing Highest Bid. Such acceptance by the Debtor of the Successful Bid is conditioned upon approval by the Court of the Successful Bid.
2. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtor from exercising its fiduciary duties under applicable law.
3. The Debtor shall not consider any Bids or Overbids submitted after the conclusion of the Auction, and any such Bids or Overbids shall be deemed untimely and shall under no circumstances constitute a Qualified Bid.

4. The Debtor shall file a notice identifying the Successful Bidder by **June 11, 2018** at 6:00 p.m. (prevailing Eastern Time) or as soon as reasonably practicable if the Auction is extended.
5. As soon as reasonably practicable after closing the Auction, the Debtor shall cause the Bid Documents for the Successful Bid and Backup Bid (defined below) to be filed with the Court.

F. No Collusion; Good-Faith *Bona Fide* Offer.

Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the Sale or bidding (including that it has no agreement with any other Bidder or Qualified Bidder to control the price), and (ii) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.

IX. Backup Bidder.

- A. Notwithstanding anything in these Bidding Procedures to the contrary, if an Auction is conducted, each Qualified Bidder with the next-highest or otherwise next-best Qualified Bid at the Auction for the Assets (each a "Backup Bid"), shall automatically be a backup bidder (the "Backup Bidder"). Each Qualified Bidder shall agree and be deemed to agree to be a Backup Bidder.
- B. The identity of the Backup Bidders and the amount and material terms of the Qualified Bids of the Backup Bidders shall be announced by the Debtor at the conclusion of the Auction following Debtor's announcement of the Successful Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until the closing of the transaction with the Successful Bidder. The Backup Bidder's Deposit shall be held in escrow until 3 business days after the closing of the transaction with the Successful Bidder.
- C. If a Successful Bidder fails to consummate the approved transactions contemplated by its Successful Bid, the Debtor, in consultation with the Pre-Petition Lender and the Committee Representatives, if any, may select a Backup Bidder as the Successful Bidder, and such Backup Bidder shall be deemed a Successful Bidder for all purposes. Such procedure shall continue until a Successful Bidder consummates the approved transactions contemplated by its successful bid. The Debtor will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party. In such case, the defaulting Successful Bidder's Deposit shall be forfeited to the Debtor, and the Debtor specifically reserves the right to seek all available remedies against the defaulting Successful Bidder, including specific performance.

X. Rights of the Pre-Petition Lender/Other Rights to Credit Bid.

The Pre-Petition Lender shall be deemed to be a Qualified Bidder and is not required to make any Deposit and or submit any Bid Documents. The Pre-Petition Lender (or its designated representative(s)) may credit bid, at any time, in its sole and absolute discretion, any portion and up to the entire amount of its secured claim, at any time on any individual asset, portion of the assets, or all Assets constituting its Collateral in conjunction with any sale of the Debtor's Assets (the "Credit Bid Right"). Upon exercise of the Credit Bid Right and notwithstanding anything herein, the Pre-Petition Lender's consultation rights shall be suspended with respect to the Debtor's determination of other Qualified Bidders under the Bidding Procedures. In addition, upon such exercise of the Credit Bid Right, the Pre-Petition Lender shall not be required to take title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), or be deemed to have taken title to or ownership of, or have any obligation in connection with (in each case, legal, equitable, or otherwise), any individual asset, portion of the assets, or all of the Assets, and the Pre-Petition Lender shall have the right to designate any person or entity that is an affiliate of the Pre-Petition Lender in its sole and absolute discretion that shall take title to the individual asset, portion of the assets, or all of the Assets that are subject to the Credit Bid Right. The Pre-Petition Lender will not be a Backup Bidder unless the Pre-Petition Lender consents in writing otherwise.

Subject to the prior paragraph: (a) at the Auction, any Qualified Bidder, including the Stalking Horse Bidder, who has a valid, perfected, and unavoidable lien on any assets of the Debtor's estate (a "Secured Creditor") shall have the right to credit bid all or a portion of the value of such Secured Creditor's claims within the meaning of section 363(k) of the Bankruptcy Code subject to any prior, unavoidable lien of the Pre-Petition Lender pursuant to the terms of any cash collateral order entered in this chapter 11 case or otherwise; *provided* that a Secured Creditor shall have the right to credit bid its claim only with respect to the collateral by which such Secured Creditor is secured.

Any credit bid must include a cash component sufficient to pay the Break-Up Fee and Expense Reimbursement.

XI. Reservation of Rights.

The Debtor reserves its rights, subject to the prior written consent of the Pre-Petition Lender, to modify these Bidding Procedures in its reasonable business judgment, and in consultation with the Committee Representatives, if any, in any manner that will best promote the goals of the bidding process, or impose, at or prior to the Auction, additional customary terms and conditions on the sale of the Assets, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Auction and/or adjourning the Sale Hearing (as defined below) in open court without further notice; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids.

XII. Consent to Jurisdiction.

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures, and/or the Bid Documents, as applicable.

XIII. Sale Hearing.

A hearing to consider approval of the Sale of all or substantially all of the Debtor's Assets to the Successful Bidder (or to approve the Purchase Agreement if no Auction is held) (the "Sale Hearing") is currently scheduled to take place on June 14, 2018 at 10:00 a.m. (prevailing Eastern Time), before the Honorable Laurie Selber Silverstein, at the Court, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801.

The Sale Hearing may be continued to a later date by the Debtor by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party (including the Stalking Horse Bidder).

At the Sale Hearing, the Debtor shall present the Successful Bid to the Court for approval.

XIV. Stalking Horse Purchase Agreement and Stalking Horse Rights.

Notwithstanding anything in these Bidding Procedures to the contrary, the Purchase Agreement and related transaction documents shall remain in full force and effect until such agreements have terminated in accordance with their respective terms and regardless of whether the Stalking Horse Bidder is designated the Successful Bidder or the Backup Bidder.

To provide an incentive and to compensate the Stalking Horse Bidder for performing the substantial due diligence and incurring the expenses necessary and entering into a Purchase Agreement with the knowledge and risk that arises from participating in the sale and subsequent bidding process, the Debtor has agreed to pay the Stalking Horse Bidder, under the conditions and in the amount set forth in Section 10.1 of the Purchase Agreement and the Bidding Procedures Order, a Break-Up Fee (as defined in the Purchase Agreement) not to exceed three percent (3%) of the Base Purchase Price (as defined in the Purchase Agreement), plus reasonable expenses of the Stalking-Horse Bidder not to exceed \$300,000. The Break-Up Fee and expense reimbursement shall be paid in accordance with the Bidding Procedures Order and Purchase Agreement.

The Stalking Horse Bidder shall have standing to appear and be heard on all issues related to the Auction, the Sale and related matters, including the right to object to the sale of the Assets or any portion thereof (including the conduct of the Auction and interpretation of these Bidding Procedures).

XV. Return of Deposit.

The Deposit of the Successful Bidder shall be applied to the purchase price of such transaction at closing. The Deposits of all other Qualified Bidders shall be held in one or more

accounts on terms acceptable to the Debtor in its sole discretion and shall be returned (other than with respect to the Stalking Horse Bidder, the Successful Bidder, and the Backup Bidder) on or within five business days after closing of the Auction.

If a Successful Bidder fails to consummate a proposed transaction because of a breach by such Successful Bidder, the Debtor will not have any obligation to return the Deposit deposited by such Successful Bidder, which may be retained by the Debtor as liquidated damages, in addition to any and all rights, remedies, or causes of action that may be available to the Debtor, and the Debtor shall be free to consummate the proposed transaction with the applicable Backup Bidder without the need for an additional hearing or order of the Court.

XVI. Fiduciary Out.

Nothing in these Bidding Procedures shall require the board of managers, or such similar governing body of a Debtor to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent such board of managers, or such similar governing body determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations.

Exhibit 2 to Bidding Procedures Order

Sale Notice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
AUGUSTUS ENERGY RESOURCES, LLC)	Case No. 18-10580 (LSS)
)	
Debtor.)	
)	

**NOTICE OF BID DEADLINE, PUBLIC AUCTION, AND
SALE HEARING IN CONNECTION WITH THE SALE OF ALL OF
SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS**

PLEASE TAKE NOTICE THAT, on March 16, 2018, Augustus Energy Resources, LLC (“August Resources” or “Debtor”), as debtor and debtor-in-possession in the above-captioned case,¹ filed its motion [Docket No. 11] (the “Motion”) for entry of an order, among other things: (i)(a) approving the Bidding Procedures and Bid Protections in connection with the sale of the Debtor’s assets, (b) approving the form and manner of notices of the Bidding Procedures for sale of the Debtor’s assets, (c) scheduling the Auction and the Sale Hearing to consider the Sale, (d) approving procedures for the assumption and assignment of executory contracts and unexpired leases, and (e) granting related relief; and (ii)(a) approving the Asset Purchase Agreement between the Debtor and the Purchaser, (b) approving the sale of substantially all of the Debtor’s assets free and clear of liens, claims, encumbrances and interests; (c) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (d) granting related relief.

PLEASE TAKE FURTHER NOTICE THAT, on April __, 2018, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving the Form and Manner of Notice Thereof, (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts; and (E) Granting Related Relief* [Docket No. __] (the “Bidding Procedures Order”). Pursuant to the Bidding Procedures Order, the Auction for the Debtor’s assets subject to the Bidding Procedures Order shall take place on June 8, 2018 at 11:00 a.m. (prevailing Eastern Time) or 9:00a.m. (prevailing Mountain Time) at the offices of Davis Graham & Stubbs LLP, 1550 17th Street, Suite 500, Denver, Colorado 80202 or such other place and time as the Debtor shall notify all Qualified Bidders, any Creditors’ Committee, counsel for the Stalking Horse Purchaser, the Pre-Petition Lender, and any other invitees. If any creditor (a) informs the Debtor’s attorneys by no later than three (3) business days before the Auction that such creditor wishes to attend the

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in that certain Asset Purchase Agreement, by and between Augustus Energy Resources, LLC and Own Resources, LLC, dated March 15, 2018, and the exhibits and schedules thereto (each as may be amended or supplemented from time to time, collectively, the “Purchase Agreement”), the Bidding Procedures, or the Bidding Procedures Order, as applicable. To the extent that there are any inconsistencies between the Bidding Procedures and the summary description of the terms and conditions contained in this notice, the terms of the Bidding Procedures Order shall control.

Auction and (b) provides their email address or fax number to the Debtor, the Debtor will provide notification of a change in the location or date or time of the Auction to such creditor. The Bidding Procedures Order requires that Qualified Bids must be submitted in accordance with the Bidding Procedures, attached to the Bidding Procedures Order as Exhibit 1, by no later than June 1, 2018 at 4:00 p.m. (prevailing Eastern time) (the "Bid Deadline") to participate at the Auction. Entities interested in receiving information regarding the sale of the Debtor's assets should contact the Debtor's investment banking advisor, TenOaks Energy Partners, LLC, Attn.: B.J. Brandenberger (brandenberger@tenoaksadvisors.com), Telephone: (214) 420-2323.

PLEASE TAKE FURTHER NOTICE THAT the Sale Hearing to consider approval of the sale of the Debtor's assets to a Successful Bidder free and clear of all liens, claims, encumbrances, and interests will be held before the Court, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, DE 19801 on **June 14, 2018 at 10:00 a.m.** (prevailing Eastern Time). The Sale Hearing may be continued from time to time, in accordance with the Bidding Procedures Order, without further notice to creditors or parties in interest other than by announcement of the continuance in open court on the date scheduled for the Sale Hearing (or in a filed agenda).

PLEASE TAKE FURTHER NOTICE THAT objections, if any, to the sale of the Debtor's assets and the transactions contemplated by the asset purchase agreement of the Successful Bidder, or the relief requested in the Motion must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Court (or filed electronically via CM/ECF with the Court) on or before **4:00 p.m. (prevailing Eastern time) on June 8, 2018** (the "Sale Objection Deadline"); and objections, if any, to the conduct of the Auction and/or the selection of the highest or otherwise best Bid at the Auction must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Court (or filed electronically via CM/ECF with the Court) on or before 4:00 p.m. (prevailing Eastern time) on **June 11, 2018** (the "Auction Objection Deadline"); and any such objections must be served such that they are actually received by the Sale Objection Deadline or the Auction Objection Deadline, as applicable, by: (a) counsel for the Debtor, (i) Davis Graham & Stubbs LLP, 1550 Seventeenth Street, Suite 500, Denver, Colorado 80202, Attn. Christopher L. Richardson and Kyler K. Burgi, and (ii) Sullivan Hazeltine Allinson LLC, 901 North Market Street, Suite 1300, Wilmington, Delaware 19801, Attn. William D. Sullivan and William A. Hazeltine; (b) counsel for the Pre-Petition Lender, (i) Vinson & Elkins LLP, Trammell Crow Center, 2001 Ross Avenue, Suite 3700, Dallas, Texas, Attn. William L. Wallander, and ((ii) Womble Bond Dickinson, 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19801, Attn: Ericka F. Johnson; (c) counsel for the Stalking Horse Purchaser, Husch Blackwell LLP, 111 Congress Avenue, Suite 1400, Austin, TX 78701-4093, Attn. Lynn H. Butler; and (d) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: Linda Casey.

PLEASE TAKE FURTHER NOTICE THAT the failure of any entity to file an objection on or before the Sale Objection Deadline shall (a) be deemed to constitute consent to the sale of the Debtor's assets subject to the Bidding Procedures Order free and clear of liens, claims, encumbrances, and interests to the Stalking Horse Purchaser or other Successful Bidder (including any Backup Bidder) and the other relief requested in the Sale Motion and (b) be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the

sale of the Debtor's assets subject to the Bidding Procedures Order free and clear of liens, claims, encumbrances, and interests, or the Debtor's consummation and performance of the terms of the asset purchase agreement entered into with the Stalking Horse Purchaser or other Successful Bidder (including any Backup Bidder).

PLEASE TAKE FURTHER NOTICE THAT the Debtor reserves its rights, in the exercise of its fiduciary obligations and after consulting with the Pre-Petition Lender and the Creditors' Committee, to modify the Bidding Procedures or impose, at or prior to the Auction, different and/or additional terms and conditions on the sale subject to the Bidding Procedures, provided that such rules are not inconsistent in any material respect with the Bidding Procedures (and provided that no such changes shall impair or modify the Bid Protections afforded to the Stalking Horse Purchaser).

PLEASE TAKE FURTHER NOTICE THAT this Notice is subject to the full terms and conditions of the Bidding Procedures Order and the Bidding Procedures, which shall control in the event of any conflict, and the Debtor encourages parties in interest to review such documents in their entirety. A copy of the Sale Motion, the Asset Purchase Agreement, the Bidding Procedures, and/or the Bidding Procedures Order, in addition to any related motions that may be filed, may be viewed by accessing the website of the Debtor's notice and claims agent at <http://www.jndla.com/cases/augustusenergy>. The documents may also be obtained by accessing the Court's internet site: <https://ecf.deb.uscourts.gov>, for a fee, through an account obtained from the PACER website at <http://www.pacer.gov>.

Date: April __, 2018
Wilmington, Delaware

SULLIVAN • HAZELTINE • ALLINSON LLC

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William A. Hazeltine (No. 3294)
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-and-

DAVIS GRAHAM & STUBBS LLP

Christopher L. Richardson, Colo. No. 13437

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Denver, Colorado 80202

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kyler.burgi@dgsllaw.com

Attorneys for the Debtor and Debtor-in-Possession

Exhibit 3 to Bidding Procedures Order

Hard Consent Rights Notice

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

In re:)) AUGUSTUS ENERGY RESOURCES, LLC, ¹)) Debtor.)	Chapter 11 Case No. 18-10580 (LSS)
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**NOTICE TO HOLDERS OF HARD CONSENT RIGHTS OF DEADLINE TO OBJECT
TO TRANSACTIONS CONTEMPLATED UNDER PURCHASE AGREEMENT**

PLEASE TAKE NOTICE that on March 15, 2018, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Debtor’s Motion for Entry of (I) An Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving The Form And Manner of Notice Thereof, and (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief and (II) An Order (A) Approving the Asset Purchase Agreement Between the Debtor and the Purchaser, and (B) Authorizing The Sale Of Substantially All Of The Debtor’s Assets Free and Clear Of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [Docket No. 11] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the Debtor’s assets (the “Assets”) to Own Resources, LLC (the “Stalking Horse Bidder”) free and clear of liens, claims, encumbrances, and other interests, with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the sale proceeds, except as set forth in the Purchase Agreement and subject to higher or otherwise better offers (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that on April [___], 2018, the Court entered an order [Docket No. ___] (the “Bidding Procedures Order”) granting certain of the relief sought in the Sale Motion, including, among other things, approving: (a) the bidding procedures (the “Bidding Procedures”) for the Sale of the Assets; and (b) procedures for the assumption and assignment of the Contracts (the “Assumption Procedures”).²

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the Sale at a hearing scheduled to commence on June 14, 2018 at 10:00 a.m. (prevailing Eastern Time) (the

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor’s corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

“Sale Hearing”) before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that this Notice shall serve to commence the period in which the holder of any Hard Consent right associated with the Assets may provide, waive, satisfy, or withhold such holders’ consent to assignment of the applicable lease. Pursuant to the Bidding Procedures Order, any holder of a Hard Consent right that wishes to object to the transfer of the applicable lease must file an objection with the Court, served so as to be *actually received* by 4:00 p.m. (prevailing Eastern Time) on or before June 8, 2018.

PLEASE TAKE FURTHER NOTICE that the Purchase Agreement contemplates that Debtor will sell and the Stalking Horse or other Successful Bidder will purchase the interests listed in Exhibit A attached hereto, which transfer may be subject to a Hard Consent rights as such term is defined in the Purchase Agreement.

PARTIES LISTED ON EXHIBIT A ATTACHED HERETO ARE RECEIVING THIS NOTICE BECAUSE THE DEBTOR AND STALKING HORSE BIDDER HAVE IDENTIFIED THEM AS POTENTIALLY HOLDING A HARD CONSENT RIGHT.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION TO TRANSFER OF APPLICABLE LEASE

ANY HOLDER OF A HARD CONSENT RIGHT THAT FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE TRANSFER OF THE APPLICABLE LEASE AND OTHER TRANSACTIONS CONTEMPLATED BY THE PURCHASE AGREEMENT MAY BE DEEMED AS HAVING CONSENTED TO THE TRANSFER OF THE APPLICABLE LEASE. FURTHER, ALL OF RIGHTS OF THE DEBTOR AND OTHER INTERESTED PARTIES TO CHALLENGE ANY ASSERTED HARD CONSENT IN THE CONTEXT OF THE CONTEMPLATED SALE OF THE DEBTOR’S ASSETS BY ORDER OF THE BANKRUPTCY COURT ARE HEREBY EXPRESSLY RESERVED.

Obtaining Additional Information

Additional copies of the Bidding Procedures Order, the Bidding Procedures, and any other related documents are available: (a) upon request to JND Corporate Restructuring (the notice and claims agent retained in these chapter 11 cases (a) by calling 720.204.2549; (b) by visiting the website maintained in these chapter 11 cases at <http://www.jndla.com/cases/augustusenergy> or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

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Date: April __, 2018
Wilmington, Delaware

SULLIVAN • HAZELTINE • ALLINSON LLC

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-and-

DAVIS GRAHAM & STUBBS LLP
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kyler.burgi@dgsllaw.com

Attorneys for the Debtor and Debtor-in-Possession

Hard Consent Rights¹

Lease	Lessor	Current Party to Notice	Lessee

¹ The presence of a contract or lease on this Exhibit A does not constitute an admission by the Debtor that any of the parties listed holds a Preferential Purchase Right..

Exhibit 4 to Bidding Procedures Order

Preferential Purchase Rights Notice

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

In re:)	Chapter 11
AUGUSTUS ENERGY RESOURCES, LLC, ¹)	Case No. 18-10580 (LSS)
Debtor.)	

NOTICE TO PREFERENTIAL PURCHASE RIGHT HOLDERS OF DEADLINE TO EXERCISE PREFERENTIAL PURCHASE RIGHTS

PLEASE TAKE NOTICE that on March 16, 2018, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Debtor’s Motion for Entry of (I) An Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving The Form And Manner of Notice Thereof, and (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief and (II) An Order (A) Approving the Asset Purchase Agreement Between the Debtor and the Purchaser, and (B) Authorizing The Sale Of Substantially All Of The Debtor’s Assets Free and Clear Of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [Docket No. 11] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the Debtor’s assets (the “Assets”) to Own Resources, LLC (the “Stalking Horse Bidder”) free and clear of liens, claims, encumbrances, and other interests, with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the sale proceeds, except as set forth in the Purchase Agreement and subject to higher or otherwise better offers (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that on April [___], 2018, the Court entered an order [Docket No. ___] (the “Bidding Procedures Order”) granting certain of the relief sought in the Sale Motion, including, among other things, approving: (a) the bidding procedures (the “Bidding Procedures”) for the Sale of the Assets; and (b) procedures for the assumption and assignment of the Contracts (the “Assumption Procedures”).²

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the Sale at a hearing scheduled to commence on June 14, 2018 at 10:00 a.m. (prevailing Eastern Time)

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor’s corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

(the "Sale Hearing") before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that the Purchase Agreement contemplates that Debtor will sell and the Stalking Horse or other Successful Bidder will purchase the interests listed in Exhibit A attached hereto, which may be subject to a Preferential Purchase right as such term is defined in the Purchase Agreement.

PARTIES LISTED ON EXHIBIT A ATTACHED HERETO ARE RECEIVING THIS NOTICE BECAUSE THE DEBTOR AND STALKING HORSE BIDDER HAVE IDENTIFIED THEM AS POTENTIALLY HOLDING A PREFERENTIAL PURCHASE RIGHT.

PLEASE TAKE FURTHER NOTICE that this Notice shall serve to commence the period in which the holder of any Preferential Purchase Right associated with the Assets may exercise such rights. Pursuant to the Bidding Procedures Order, any holder of a Preferential Purchase Right must submit indicate its intent to exercise any Preferential Purchase Right by filing a notice with the Court, served so as to be *actually received* by **11:59 p.m. (prevailing Eastern Time) on or before June 8, 2018.**

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE NOTICE OF INTENT TO EXERCISE PREFERENTIAL PURCHASE RIGHT

ANY HOLDER OF A PREFERENTIAL PURCHASE RIGHT THAT FAILS TO TIMELY FILE AND SERVE A NOTICE OF INTENT TO EXERCISE SUCH RIGHT MAY BE DEEMED AS HAVING ELECTED NOT TO EXERCISE IT PREFERENTIAL PURCHASE RIGHT. FURTHER, ALL OF RIGHTS OF THE DEBTOR AND OTHER INTERESTED PARTIES TO CHALLENGE ANY ASSERTED PREFERENTIAL PURCHASE RIGHT IN THE CONTEXT OF THE CONTEMPLATED SALE OF THE DEBTOR'S ASSETS BY ORDER OF THE BANKRUPTCY COURT ARE HEREBY EXPRESSLY RESERVED.

Obtaining Additional Information

Additional copies of the Bidding Procedures Order, the Bidding Procedures, and any other related documents are available: (a) upon request to JND Corporate Restructuring (the notice and claims agent retained in these chapter 11 cases (a) (a) by calling 720.204.2549; (b) by visiting the website maintained in these chapter 11 cases at <http://www.jndla.com/cases/augustusenergy> or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

[Remainder of page intentionally left blank]

Date: April __, 2018
Wilmington, Delaware

SULLIVAN • HAZELTINE • ALLINSON LLC

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kyler.burgi@dgsllaw.com

Attorneys for the Debtor and Debtor-in-Possession

Exhibit A

Preferential Purchase Rights

Preferential Purchase Rights¹

Operator	JOA Number	Pref Right Owner	Total Pref Right of Seller's Interest Per Well

¹ The presence of a contract or lease on this Exhibit A does not constitute an admission by the Debtor that any of the parties listed holds a Preferential Purchase Right.

Exhibit 5 to Bidding Procedures Order

Contract Notice

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

In re: AUGUSTUS ENERGY RESOURCES, LLC, ¹ Debtor.)))))	Chapter 11 Case No. 18-10580 (LSS)
---	-----------------------	---

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE that on March 16, 2018, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Debtor’s Motion for Entry of (I) An Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving The Form And Manner of Notice Thereof, and (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief and (II) An Order (A) Approving the Asset Purchase Agreement Between the Debtor and the Purchaser, and (B) Authorizing The Sale Of Substantially All Of The Debtor’s Assets Free and Clear Of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [Docket No. ___] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the Debtor’s assets (the “Assets”) to Own Resources, LLC (the “Stalking Horse Bidder”) free and clear of liens, claims, encumbrances, and other interests, with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the sale proceeds, except as set forth in the Purchase Agreement and subject to higher or otherwise better offers (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that on April[___], 2018, the Court entered an order [Docket No. ___] (the “Bidding Procedures Order”) granting certain of the relief sought in the Sale Motion, including, among other things, approving: (a) the bidding procedures (the “Bidding Procedures”) for the Sale of the Assets; and (b) procedures for the assumption and assignment of the Contracts (the “Assumption Procedures”).²

PLEASE TAKE FURTHER NOTICE that the Debtor will seek approval of the Sale at a hearing scheduled to commence on June 14, 2018 at 10:00 a.m. (prevailing Eastern Time) (the

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor’s corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

“Sale Hearing”) before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the Bankruptcy Court for the District of Delaware, at 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that upon the closing of the Sale, the Debtor may seek to assume and assign to the Stalking Horse Bidder, or any other Successful Bidder arising from the Auction (as defined in the Bidding Procedures Order), the Contracts and any modifications thereto (collectively, the “Assigned Contracts”) set forth on Exhibit A attached hereto, subject to (a) the Stalking Horse Bidder’s right to designate additional Contracts as Assigned Contracts or remove certain Contracts from the list of Assigned Contracts pursuant to Section 6.6(b) of the Purchase Agreement or (b) any similar right of any other Successful Bidder arising from the Auction. In addition, the cure amounts, if any, necessary for the assumption and assignment of the Assigned Contracts (the “Cure Amounts”) are set forth on Exhibit A attached hereto.

PLEASE TAKE FURTHER NOTICE that the Debtor has evaluated the financial wherewithal of the Stalking Horse Bidder (e.g., financial credibility, willingness, and ability of the interested party to perform under the Contracts) and believes that the Stalking Horse Bidder’s financial health, agreement to pay any cure amounts related to the Assigned Contracts in excess of any amount of Cure Costs Debtor is required to pay under the Purchase Agreement, and commitment to pay obligations as they come due satisfies the requirements of adequate assurance of future performance under section 365(f)(2)(B) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, after the Bid Deadline has occurred, the Debtor will separately identify the Contracts designated for assumption and assignment by each Qualified Bidder and furnish adequate assurance information demonstrating the ability of each Qualified Bidder (other than the Stalking Horse Bidder) to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) of the Bankruptcy Code, including, without limitation, each Qualified Bidder’s financial wherewithal and willingness to perform under the Assigned Contracts.

PARTIES LISTED ON EXHIBIT A ATTACHED HERETO ARE RECEIVING THIS NOTICE BECAUSE THE STALKING HORSE BIDDER HAS IDENTIFIED THEM AS A COUNTERPARTY TO AN ASSIGNED CONTRACT. Under the terms of the Assumption Procedures, the Stalking Horse Bidder or Successful Bidder may modify the list of Assigned Contracts in accordance with the Purchase Agreement or the Successful Bidder’s Purchase Agreement, as applicable. Any counterparty added to the list of Assigned Contracts by such a modification will receive notice thereof (the “Assumption Notice”) and will have an opportunity to object to the proposed cure amount or assumption and assignment of the Assigned Contract, if applicable.

Obtaining Additional Information

PLEASE TAKE FURTHER NOTICE that any non-debtor counterparties to an Assigned Contract that wishes to obtain information regarding adequate assurance of future performance regarding any Qualified Bidders may request that information from Debtor’s counsel (a “Request for Adequate Assurance Information”). The Request for Adequate Assurance Information must

include an email address, a facsimile number and/or postal address to which a response to such request can be sent. The Debtor will serve any party making a Request for Adequate Assurance Information by email and/or overnight delivery with any information relating to adequate assurance of future performance provided by Qualifying Bidders as provided in the Sales Procedures by the later of (i) June 4, 2018 and (ii) one business day after receipt of the Request for Adequate Assurance Information.

Additional copies of the Bidding Procedures Order, the Bidding Procedures, and any other related documents are available: (a) upon request to JND Corporate Restructuring (the notice and claims agent retained in these chapter 11 cases) a) (a) by calling 720.204.2549; (b) by visiting the website maintained in these chapter 11 cases at <http://www.jndla.com/cases/augustusenergy> or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

Filing Assumption and Assignment Objections

Pursuant to the Assumption Procedures, objections to the proposed assumption and assignment of an Assigned Contract, including any objection relating to the Cure Amount and/or adequate assurance of future performance (collectively, a "Contract Objection"), must: (a) be in writing; (b) state with specificity the nature of such objection and alleged Cure Amount, including applicable and appropriate documentation in support of such alleged Cure Amount; (c) comply with the Bankruptcy Rules and the Local Rules; (d) for Contract Objections to any Cure Amount set forth on Exhibit A attached hereto or to the assumption and assignment of an Assigned Contract to the Stalking Horse Bidder, be filed with the Court and served so as to be *actually received* by **4:00 p.m. (prevailing Eastern Time) fourteen (14) days from service of this notice**; and (e) for Contract Objections to the adequate assurance of future performance by a Qualified Bidder other than the Stalking Horse Bidder, be filed with the Court and served so as to be actually received at or prior to the Sale Hearing, which is scheduled **on June 14, 2018 at 10:00 a.m. (prevailing Eastern Time)**.

Any timely filed Contract Objections made prior to the Sale Hearing will be considered at the Sale Hearing, or another date agreed to by the parties, and must be served on the following parties:

Counsel to the Debtor	Co-Counsel to the Debtor
Davis Graham & Stubbs LLP 1550 Seventeenth Street, Suite 500 Denver, Colorado 80202 Attn.: Christopher L. Richardson and Kyler K. Burgi Telephone: (303) 892-9400 Email: chris.richardson@dgsllaw.com kyler.bergi@dgsllaw.com	Sullivan Hazeltine Allinson, LLC 901 N. Market Street, Suite 1300 Wilmington, Delaware 19801 Attn: William D. Sullivan, William Hazeltine Telephone: (302) 428-8191 Fax: (302) 428-8195 Email: wsullivan@sha-llc.com whazeltine@sha-llc.com

Counsel to the Pre-Petition Lender Under the Debtor's Senior Secured Credit Facility	Co-Counsel to the Pre-Petition Lender Under the Debtor's Senior Secured Credit Facility
Vinson & Elkins, LLP Trammell Crow Center 2001 Ross Avenue, Suite 3700 Dallas, Texas 75201-2975 Attn: William L. Wallander Tel.: (214) 220-7905 Email: bwallander@velaw.com	Womble Bond Dickinson 222 Delaware Avenue, 15th Floor, Wilmington, Delaware 19801 Attn: Ericka F. Johnson Tel.: (302) 252-4337 Email: ericka.johnson@wbd-us.com
The United States Trustee	Counsel to the Stalking Horse Bidder
Office of the United States Trustee for the District of Delaware 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801 Attn: Linda Casey	Husch Blackwell, LP 111 Congress Avenue, Suite 1400 Austin, Texas 78701 Attn: Lynn H. Butler Tel.: 512-472-5456 Email: lynn.butler@huschblackwell.com

If any timely filed Contract Objection cannot be resolved by the Stalking Horse Bidder or Successful Bidder arising from the Auction, if any, and the objecting party, the Court shall resolve such Contract Objection prior to assumption and assignment of such designated Contract, and upon entry of an order by the Court resolving such Contract Objection, the assignment, if approved by the Court, shall be deemed effective as of the date such objecting party receives the Assumption Notice. To the extent that any Contract Objection cannot be resolved by the parties, such Contract shall be assumed and assigned only upon satisfactory resolution of the Contract Objection, to be determined in the reasonable discretion of the Stalking Horse Bidder or other Successful Bidder arising from the Auction, if any, and until such time as the Contract Objection can be resolved, the Contract shall be conditionally assumed and assigned pending a resolution of the Contract Objection after notice and a hearing.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION

ANY COUNTERPARTY TO AN ASSIGNED CONTRACT WHO FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF AN ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A ATTACHED HERETO IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER AND THE ASSUMPTION PROCEDURES SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE ASSUMPTION AND ASSIGNMENT OF THE ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A ATTACHED HERETO, INCLUDING ASSERTING ADDITIONAL CURE AMOUNTS WITH RESPECT TO THE ASSIGNED CONTRACT RELATING TO ANY PERIOD PRIOR TO THE TIME OF ASSUMPTION AND ASSIGNMENT.

[Remainder of page intentionally left blank]

Date: April __, 2018
Wilmington, Delaware

SULLIVAN • HAZELTINE • ALLINSON LLC

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Attorneys for the Debtor and Debtor-in-Possession

Exhibit A

Assigned Contracts

Assigned Contracts¹

Debtor	Counterparty	Description of Assigned Contracts or Leases	Cure Amount

¹ The presence of a contract or lease on this Exhibit A does not constitute an admission by the Debtor that such contract is an executory contract or such lease is an unexpired lease pursuant to section 365 of the Bankruptcy Code or any other applicable law, and the Debtor reserves all rights to withdraw any proposed assumption and assignment or to reject any contract or lease at any time before such contract or lease is assumed and assigned pursuant to an order of the Court.

Exhibit 6 to Bidding Procedures Order

Assumption Notice

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

In re:)	Chapter 11
)	
AUGUSTUS ENERGY RESOURCES, LLC, ¹)	Case No. 18-10580 (LSS)
)	
Debtor.)	

**NOTICE OF PROPOSED ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE that on March 16, 2018, the above-captioned debtor and debtor in possession (the “Debtor”) filed the *Debtor’s Motion for Entry of (I) An Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Substantially All of the Debtor’s Assets, (B) Approving The Form And Manner of Notice Thereof, and (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief and (II) An Order (A) Approving the Asset Purchase Agreement Between the Debtor and the Purchaser, and (B) Authorizing The Sale Of Substantially All Of The Debtor’s Assets Free and Clear Of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief* [Docket No. 11] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of substantially all of the Debtor’s assets (the “Assets”) to Own Resources, LLC (the “Stalking Horse Bidder”) free and clear of liens, claims, encumbrances, and other interests, with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the sale proceeds, except as set forth in the Purchase Agreement and subject to higher or otherwise better offers (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”).

PLEASE TAKE FURTHER NOTICE that on April [___], 2018, the Court entered an order [Docket No. ___] (the “Bidding Procedures Order”) granting certain of the relief sought in the Sale Motion, including, among other things, approving: (a) the bidding procedures (the “Bidding Procedures”) for the Sale of the Assets; and (b) procedures for the assumption and assignment of the Contracts (the “Assumption Procedures”).²

PLEASE TAKE FURTHER NOTICE that, accordingly, pursuant to the Assumption Procedures and by this written notice, the Debtor hereby notifies you that they have determined, in the exercise of their business judgment, that the Contracts and any modifications thereto set

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Augustus Energy Resources, LLC (6220). The location of the Debtor’s corporate headquarters is: 2016 Grand Avenue, Billings, MT 59102.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

forth on Exhibit A attached hereto (collectively, the "Assigned Contracts") shall be assumed and assigned to the Stalking Horse Bidder, subject to the Debtor's payment of the cure amounts set forth on Exhibit A, or such other cure amounts that are agreed to by the parties.

PLEASE TAKE FURTHER NOTICE that, as set forth more fully at Section 6.6(b) of the Purchase Agreement, the Stalking Horse Bidder has the right under certain circumstances to designate additional Contracts as Assigned Contracts or remove certain Contracts from the list of Assigned Contracts prior to Closing (as defined in the Purchase Agreement).

PLEASE TAKE FURTHER NOTICE that copies of the Bidding Procedures Order and the Bidding Procedures and any other related documents are available: (a) upon request to JND Corporate Restructuring (the notice and claims agent retained in these chapter 11 cases) (a) by calling 720.204.2549; (b) by visiting the website maintained in these chapter 11 cases at <http://www.jndla.com/cases/augustusenergy> <http://www.jndla.com/cases/augustusenergy> or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that, except as otherwise provided by the Bidding Procedures Order, the time for filing objections to (a) the cure amounts related to the Assigned Contracts, (b) the Debtor's ability to assume and assign any Assigned Contract, and (c) adequate assurance of future performance by the assumption and assignment to the Stalking Horse Bidder has passed and no further notice or action is necessary with respect to such matters.

Date: _____, 2018
Wilmington, Delaware

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Attorneys for the Debtor and Debtor-in-Possession

Exhibit A

Assigned Contracts

Assigned Contracts¹

Debtor	Counterparty	Description of Assigned Contracts or Leases	Cure Amount (except as otherwise agreed to by the parties)

¹ The presence of a contract or lease on this Exhibit A does not constitute an admission by the Debtor that such contract is an executory contract or such lease is an unexpired lease pursuant to section 365 of the Bankruptcy Code or any other applicable law, and the Debtor reserves all rights to withdraw any proposed assumption and assignment, or to reject any contract or lease at any time before such contract or lease is assumed and assigned pursuant to an order of the Court.