

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

In re:)	
)	Chapter 11
)	
FLYING J INC., <u>et al.</u> , ¹)	Case No. 08-13384 (MFW)
)	
Debtor.)	Jointly Administered
)	
)	
)	

**THE JOINT PLAN OF REORGANIZATION OF THE DEBTORS UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE**

THIS DRAFT PLAN OF REORGANIZATION IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL BE MADE ONLY IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

YOUNG CONAWAY STARGATT & TAYLOR, LLP

Pauline K. Morgan (Bar No. 3650)
Edmon L. Morton (Bar No. 3865)
Donald J. Bowman, Jr. (Bar No. 4383)
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Telephone: (302) 571-6637
Facsimile: (302) 576-3320

KIRKLAND & ELLIS LLP

David L. Eaton (admitted *pro hac vice*)
Adam C. Paul (admitted *pro hac vice*)
Jeffrey W. Gettleman (admitted *pro hac vice*)
300 N. LaSalle Street
Chicago, IL 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Co-Counsel for the Debtors and Debtors in Possession

Dated: **February 10, 2010**

¹ The Debtors in the Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Flying J Inc. (3458); Big West of California, LLC (1608), Big West Oil, LLC (6982); Big West Transportation, LLC (6984); Longhorn Partners Pipeline, L.P. (0554); Longhorn Pipeline Holdings, LLC (0226), Longhorn Pipeline Inc. (0654). The location of the Debtors' corporate headquarters and the service address for all Debtors is: 1104 Country Hills Drive, Ogden, UT 84403.

TABLE OF CONTENTS

	Page
ARTICLE I DEFINED TERMS AND RULES OF INTERPRETATION	1
A. Defined Terms	1
B. Rules of Interpretation	10
C. Exhibits	11
ARTICLE II ADMINISTRATIVE AND PRIORITY CLAIMS	11
A. Administrative Claims	11
B. Priority Tax Claims	12
C. Other Priority Claims	12
ARTICLE III CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS	12
A. Summary	12
B. Classification and Treatment of Claims and Equity Interests	13
C. Special Provision Governing Unimpaired Claims	17
D. Non-Consensual Confirmation	17
E. Acceptance or Rejection of this Plan	17
F. Controversy Concerning Impairment	18
ARTICLE IV MEANS FOR IMPLEMENTATION OF THIS PLAN	18
A. Asset Sales and Other Transactions	18
B. The Liquidating Trust	19
C. Corporate Existence	19
D. Vesting of Assets in the Reorganized Debtors	20
E. Directors/Managers/Officers of the Debtors on the Effective Date	20
F. Exit Facilities	20
G. D&O Insurance	20
H. Corporate Action	21
I. Operations of the Debtors Between the Confirmation Date and the Effective Date	21
J. Term of Injunctions or Stays	21
K. Sources of Cash for Plan Distributions	21
L. Treatment of Intercompany Claims	21
M. Restructuring Transactions	22
N. Certificate of Incorporation and Bylaws	22
O. Employee and Retiree Benefits	22
ARTICLE V TREATMENT OF EXECUTORY CONTRACTS, UNEXPIRED LEASES, EMPLOYEE BENEFITS AND WORKERS' COMPENSATION	22
A. Assumption and Rejection of Executory Contracts and Unexpired Leases	22
B. Claims Based on Rejection of Executory Contracts or Unexpired Leases	23
C. Reservation of Rights	23
D. Collective Bargaining Agreements	23
E. Compensation and Benefit Plans and Treatment of Retirement Plan and Pension Plan	23
F. Management and Employee Incentive Plan	24
G. Workers' Compensation Obligations	24
ARTICLE VI PROVISIONS GOVERNING DISTRIBUTIONS	24
A. Initial Distribution Date	24
B. Disputed Reserves	24
C. Quarterly Distributions	25
D. Record Date for Distributions	25
E. Delivery of Distributions	25

F.	Manner of Cash Payments Under the Plan.....	26
G.	Time Bar to Cash Payments by Check.....	26
H.	Limitations on Funding of Disputed Reserves.....	26
I.	Compliance with Tax Requirements.....	27
J.	No Payments of Fractional Dollars.....	27
K.	Interest on Flying J, BWO and BWT Claims.....	27
L.	No Distribution in Excess of Allowed Amount of Claim.....	27
M.	Setoff and Recoupment.....	27
N.	Cancellation of the Equity Interests.....	27
ARTICLE VII DISPUTED CLAIMS.....		28
A.	No Distribution Pending Allowance.....	28
B.	Resolution of Disputed Claims.....	28
C.	Objection Deadline.....	28
D.	Estimation of Claims.....	28
E.	Disallowance of Claims.....	28
F.	Claims Paid or Payable by Third Parties.....	28
ARTICLE VIII ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS.....		29
A.	Final Fee Applications.....	29
B.	Payment of Interim Amounts.....	29
C.	Professional Fee Escrow Account.....	29
D.	Professional Fee Reserve Amount.....	29
E.	Post-Effective Date Fees and Expenses.....	30
ARTICLE IX CONDITIONS PRECEDENT TO THE EFFECTIVE DATE.....		30
A.	Conditions Precedent to the Effective Date.....	30
ARTICLE X SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS.....		30
A.	Discharge of Claims and Termination of Interests.....	30
B.	Subordinated Claims.....	31
C.	Compromise and Settlement.....	31
D.	Releases	31
E.	Exculpation	32
F.	Preservation of Rights of Action.....	33
G.	Release and Injunction.....	33
H.	Releases of Liens	35
ARTICLE XI RETENTION OF JURISDICTION.....		35
ARTICLE XII MISCELLANEOUS PROVISIONS.....		36
A.	Dissolution of Creditors' Committee.....	36
B.	Final Fee Applications.....	37
C.	Payment of Statutory Fees.....	37
D.	Modification of Plan.....	37
E.	Revocation of Plan.....	37
F.	Successors and Assigns.....	37
G.	Governing Law.....	37
H.	Reservation of Rights.....	37
I.	Article 1146 Exemption.....	38
J.	Votes Solicited in Good Faith.....	38
K.	Further Assurances.....	38
L.	Service of Documents.....	38
M.	Filing of Additional Documents.....	39
N.	Immediate Binding Effect.....	39
O.	Term of Injunctions or Stays.....	39

P.	Entire Agreement	39
Q.	Exhibits	39
R.	Nonseverability of Plan Provisions	39
S.	Conflicts	40

**THE DEBTORS' JOINT PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, the Debtors and Debtors in Possession in the above captioned and numbered cases hereby respectfully propose the following joint plan of reorganization.

ARTICLE I

DEFINED TERMS AND RULES OF INTERPRETATION

A. *Defined Terms*

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. “503(b)(9) Claims” means any Claim asserted pursuant to section 503(b)(9) of the Bankruptcy Code.

2. “503(b)(9) Bar Date” means 4:00 p.m. prevailing Eastern time on April 20, 2009 as established in the 503(b)(9) Bar Date Order.

3. “503(b)(9) Bar Date Order” means the *Order Establishing Bar Date for Filing Requests for Payment of Administrative Expenses Claims under Sections 105 and 503(b)(9) of the Bankruptcy Code and Approving Form, Manner and Sufficiency of Notice of the Bar Date Pursuant to Bankruptcy Rule 9007*, entered by the Bankruptcy Court on February 17, 2009 [Docket No. 521].

4. “510(b) Claims” means any Claim of the type described in and subject to subordination pursuant to section 510(b) of the Bankruptcy Code relating to any Flying J Equity Interest, which shall include, without limitation, any Claim arising from the rescission of a purchase or sale of any Flying J Equity Interest, any claim for damages arising from the purchase or sale of any Flying J Equity Interest, or any claim for reimbursement, contribution or indemnification for such Claim.

5. “Accrued Professional Compensation” means, at any given moment, all accrued and/or unpaid fees and expenses (including, without limitation: (a) success fees allowed or awarded by a Final Order of the Bankruptcy Court or any other court of competent jurisdiction); and (b) fees or expenses allowed or awarded by a Final Order of the Bankruptcy Court or any other court of competent jurisdiction) for legal, financial advisory, accounting and other services and reimbursement of expenses that are awardable and allowable under sections 328, 330(a) or 331 of the Bankruptcy Code or otherwise rendered prior to the Effective Date, or thereafter in connection with (x) applications Filed pursuant to section 330 and 331 of the Bankruptcy Code and (y) motions seeking the enforcement of the provisions of this Plan or Confirmation Order, by all Professionals in the Chapter 11 Cases that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not previously been paid regardless of whether a fee application has been filed for any such amount. To the extent that the Bankruptcy Court or any higher court denies by a Final Order any amount of a Professional’s fees or expenses, then those amounts shall no longer be Accrued Professional Compensation.

6. “Acquisition Agreement” means that certain Contribution Agreement dated as of December 18, 2009, by and among Flying J, Pacific Sunstone, Inc. and Pilot.

7. “Administrative Claims” means Claims that have been timely filed before the Bar Date, pursuant to the deadline and procedure set forth in the Bar Date Order (except as otherwise provided by a separate order of the Bankruptcy Court), for costs and expenses of administration under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises); (b) Accrued Professional Compensation; and (c) all fees and charges assessed against the Estate under chapter 123 of title 28 United States Code, 28 U.S.C. §§ 1911-1930; *provided, however*, that Administrative Claims that arise under section 503(b)(9) of

the Bankruptcy Code shall only be deemed timely filed to the extent such Claims were filed in accordance with the terms of the 503(b)(9) Bar Date Order or the Supplemental 503(b)(9) Bar Date Order.

8. “Affiliate” has the meaning set forth at section 101(2) of the Bankruptcy Code.

9. “Allowed” means, except as otherwise provided herein, with respect to any Claim or Equity Interest: (a) a Claim or Equity Interest that has been scheduled by the Debtors in their schedules of liabilities as other than disputed, contingent or unliquidated and as to which the Debtors or other parties-in-interest have not Filed an objection by the Bar Date; (b) a Claim or Equity Interest that either is not Disputed or has been allowed by a Final Order; (c) a Claim or Equity Interest that is allowed (i) in any stipulation of amount and nature of Claim executed prior to the entry of the Confirmation Order and approved by the Bankruptcy Court; (ii) in any stipulation with the Debtors of amount and nature of Claim or Equity Interest executed on or after the entry of the Confirmation Order; or (iii) in or pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; (d) a Claim or Equity Interest that is allowed pursuant to the terms hereof; or (e) a Disputed Claim as to which a Proof of Claim has been timely Filed and as to which no objection has been Filed; provided that any Claim or Equity Interest based on or arising out of a liability of a Debtor that was assumed by Pilot pursuant to the Acquisition Agreement or by the BWOC Successful Bidder under the order authorizing the Proposed BWOC Sale shall not be Allowed and shall be disallowed and expunged and stricken from the claims register without further action required by the Bankruptcy Court, the Debtors or the Voting and Claims Agent.

10. “Alon” means Alon USA Energy, Inc.

11. “Amended Organizational Documents” means the certificate of incorporation or other forms of organizational documents and bylaws for the Reorganized Debtors, the terms of which shall be acceptable to the Creditors’ Committee and the Debtors, and substantially in the terms set forth in the Plan Supplement.

12. “Avoidance Actions” means any and all avoidance, recovery, subordination or other actions or remedies that may be brought on behalf of the Debtors or their estates under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies under sections 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552 and 553 of the Bankruptcy Code.

13. “Bakersfield Refinery” means a refinery owned by BWOC located in Bakersfield, California.

14. “Bankruptcy Code” means title I of the Bankruptcy Reform Act of 1978, as amended from time to time, as set forth in sections 101 *et seq.* of title 11 of the United States Code, and applicable portions of titles 18 and 28 of the United States Code.

15. “Ballot” means the customized ballot provided by the Debtors which must be used by the related Holder to accept or reject the Plan. The form of each Ballot (with respect to Classes 1B, 1C, 1D, 1E, 2C, 2D, 3C, 3D, 3E, 5B and 5C) is attached as Exhibit E to the Disclosure Statement Order.

16. “Bankruptcy Court” means the United States District Court for the District of Delaware, having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made pursuant to Article 157 of title 28 of the United States Code and/or the General Order of the District Court pursuant to Article 151 of title 28 of the United States Code, the United States Bankruptcy Court for the District of Delaware.

17. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, promulgated under 28 U.S.C. § 2075, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Local Rules of Civil Practice and Procedure of the United States District Court for the District of Delaware, and general orders and chambers procedures of the Bankruptcy Court, each as applicable to the Chapter 11 Cases and as amended from time to time.

18. “Bar Date” means 4:00 p.m. prevailing Eastern time on June 2, 2009 as established in the Bar Date Order.

19. “Bar Date Order” means the *Order Establishing Bar Dates for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof*, dated April 15, 2009 [Docket No. 1005].

20. “*Beneficiaries*” means Holders of Allowed Claims entitled to receive Distributions from the Debtors or the Reorganized Debtors under the Plan, whether or not such Claims were Allowed Claims on the Effective Date.
21. “*Big West Revolver*” means that certain Credit Agreement, by and among BWO and BWOC as borrowers, BWT as guarantor, the Revolver Agent, and the Revolver Lenders, dated as of March 15, 2005, as amended.
22. “*Big West Term Loan*” means that certain Term Loan Credit Agreement between BWO as borrower, BWOC and BWT as guarantors, the Term Loan Agent, and the Term Loan Lenders, dated as of March 15, 2007.
23. “*BofA*” means Bank of America, N.A.
24. “*Business Day*” means any day, other than a Saturday, Sunday or “legal holiday” (as that term is defined in Bankruptcy Rule 9006(a)).
25. “*BWO*” means Big West Oil, LLC.
26. “*BWO Collective Bargaining Agreement*” means BWO’s collective bargaining agreement with the United Steelworkers.
27. “*BWO Pension Plan*” means the Hourly Employees’ Retirement Plan of RMT Properties, Inc.
28. “*BWOC*” means Big West of California, LLC.
29. “*BWOC APA*” means that certain Purchase Agreement dated, as of February 2, 2010, by and among the BWOC Potential Buyer, BWOC and Alon.
30. “*BWOC Bidding Procedures*” means the bidding procedures for the Proposed BWOC Sale.
31. “*BWOC Non-Acquired Assets*” means any property of BWOC that is not acquired pursuant to the transactions contemplated by the BWOC APA.
32. “*BWOC Pension Plan*” means the Big West of California Contracted Employees Pension Plan
33. “*BWOC Potential Buyer*” means Paramount Petroleum Corporation.
34. “*BWOC Sale Proceeds*” means the Cash consideration received by BWOC pursuant to the BWOC APA, including all Cash in escrow accounts established pursuant to the terms of the BWOC APA.
35. “*BWOC Successful Bidder*” means the bidder identified in the auction held in accordance with the BWOC Bidding Procedures, which may be the BWOC Potential Buyer.
36. “*BWT*” means Big West Transportation, LLC.
37. “*Cash*” means legal tender of the United States of America or the equivalent thereof.
38. “*Cash Investment Yield*” means the net yield earned by the Reorganized Debtors from the investment of Cash held pending distribution pursuant to the Plan, which investment will be in a manner consistent with the applicable trust’s investment and deposit guidelines.
39. “*Causes of Action*” means all claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, remedies, rights of set-off, third-party claims, subrogation claims, contribution claims, reimbursement claims, indemnity claims, counterclaims and crossclaims (including, without limitation, all claims and any avoidance, recovery, subordination or other actions against insiders and/or any other entities under the Bankruptcy Code, including Avoidance Actions) of any of the Debtors, the

Debtors-in-Possession, and/or the Estate (including, without limitation, those actions set forth in the Plan Supplement) that are or may be pending on the Effective Date or instituted by the Reorganized Debtors after the Effective Date against any entity, based in law or equity, including, without limitation, under the Bankruptcy Code, whether direct, indirect, derivative or otherwise and whether asserted or unasserted as of the Confirmation Date.

40. “*Chapter 11 Cases*” means the chapter 11 cases commenced when the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code on the Petition Date, which are jointly administered under case number 08-13380 (MFW), with the following case numbers: 08-13388 (MFW), 08-13380 (MFW), 08-13387 (MFW), 08-13384 (MFW), 08-13383 (MFW), 08-13381 (MFW) and 08-13385 (MFW).

41. “*Claim*” means a “claim” (as that term is defined in section 101(5) of the Bankruptcy Code) against any of the Debtors.

42. “*Clarity Systems*” means Clarity Systems, LLC.

43. “*Class*” means a category of Holders of Claims or Equity Interests as set forth in Article III of this Plan pursuant to section 1122(a) of the Bankruptcy Code.

44. “*Closing Date*” means [_____, 2009].

45. “*Confirmation*” means the Bankruptcy Court’s confirmation of the Plan pursuant to the Confirmation Order.

46. “*Confirmation Date*” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

47. “*Confirmation Hearing*” means the hearing of the Bankruptcy Court on [_____, 2010] to consider Confirmation of the Plan.

48. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

49. “*Conoco*” means ConocoPhillips Company.

50. “*Conoco Agreement*” means the Agreement, dated as of December 18, 2009, by and among Conoco, Douglas Oil Company of California, Kayo Oil Company and Flying J.

51. “*Convenience Claim*” means (a) any General Unsecured Claim against Flying J, BWO, BWOC or Longhorn that otherwise would be either a Class 1B Claim against Flying J, a Class 2C Claim against BWO, a Class 3C Claim against BWOC or a Class 5B Claim against Longhorn, but, with respect to each such Claim, the aggregate amount of such Claim is equal to or less than \$[_____] or (b) any Class 1B Claim, Class 2C Claim, Class 3C Claim or Class 5B Claim in excess of \$[_____] which the Holder thereof, pursuant to such Holder’s Ballot or such other election accepted by the Debtors, elects to have reduced to the amount of \$[_____] or less and to be treated as a Convenience Claim.

52. “*Creditors’ Committee*” means the official committee of unsecured creditors for the Chapter 11 Cases appointed by the United States Trustee for the District of Delaware, pursuant to section 1102 of the Bankruptcy Code, on January 5, 2009 [Docket No. 85].

53. “*Debtors*” means, collectively, Flying J, BWOC, BWO, BWT and Longhorn.

54. “*DIP Facilities*” means collectively the Pilot DIP Facility, the Oaktree DIP Facility and the Merrill DIP Facility.

55. “*Disbursing Agent*” means the Reorganized Debtors, or the Entity or Entities chosen by the Reorganized Debtors to make or facilitate distributions pursuant to the Plan.

56. “*Disclosure Statement*” means the *Disclosure Statement for the Joint Plan of Reorganization of Big West of California LLC, Big West Oil, LLC, Big West Transportation LLC, Flying J, Inc. and Longhorn Partners Pipeline L.P. Under Chapter 11 of the Bankruptcy Code*, [Docket No. ____] dated [____], prepared and distributed in accordance with the Bankruptcy Code, Bankruptcy Rules and any other applicable law, and approved by the Bankruptcy Court in the Disclosure Statement Order, as it is amended, supplemented or modified from time to time.

57. “*Disclosure Statement Order*” means the *Order (I) Approving (a) the Disclosure Statement, (b) the Solicitation and Notice Procedures, (c) the Voting and Tabulation Procedures, and (d) the Confirmation Notice and Objection Procedures, and (II) Scheduling a Confirmation Hearing* [Docket No. ____], entered by the Bankruptcy Court on [____], 2010.

58. “*Disputed*” means, with respect to any Claim or Equity Interest, any Claim or Equity Interest: (a) listed on the Schedules as unliquidated, disputed or contingent, unless a Proof of Claim has been timely filed; (b) as to which a Debtor or the Reorganized Debtor has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules; or (c) as otherwise disputed by a Debtor or Reorganized Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order.

59. “*Disputed Reserve*” means the reserve fund created pursuant to Article VI.B.1 of this Plan.

60. “*Effective Date*” means the date selected by the Debtors that is a Business Day after the entry of the Confirmation Order on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions specified in Article IX.A have been satisfied or waived.

61. “*Entity*” means an “entity” (as that term is defined in section 101(15) of the Bankruptcy Code).

62. “*Epiq*” means Epiq Bankruptcy Solutions, LLC.

63. “*Equity Interest*” means any equity interest in a Debtor that existed immediately prior to the Petition Date, including, without limitation: (a) any common equity interest in a Debtor that existed immediately prior to the Petition Date, including, without limitation, all issued, unissued, authorized or outstanding shares of common stock, together with any warrants, options or legal, contractual or equitable rights to purchase or acquire such interests at any time; (b) any preferred equity interest in a Debtor that existed immediately prior to the Petition Date, including, without limitation, all issued, unissued, authorized or outstanding shares of preferred stock, together with any warrants, options or legal, contractual or equitable rights to purchase or acquire such interests; and (c) any partnership, limited liability company, or similar interest in a Debtor that existed immediately prior to the petition date, including, without limitation, all issued, unissued, authorized or outstanding partnership or membership interests, as applicable, together with any warrants, options or legal, contractual or equitable rights to purchase or acquire such interests.

64. “*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended.

65. “*ESOP Equity Interests*” means the Equity Interests in Flying J held by the Employee Stock Ownership Plan of Flying J.

66. “*Estate*” means the estates of the Debtors created on the Petition Date by section 541 of the Bankruptcy Code.

67. “*Exculpated Parties*” means, collectively, the Debtors, the officers and directors of the Debtors as of the Closing Date, Pilot, the Creditors’ Committee and the individual members thereof, and each of their respective Representatives (each of the foregoing in its individual capacity as such).

68. “*Executory Contract*” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

69. “*Exit Facilities*” means the refinancing and issuance of (a) a \$360 million term loan by Banc of America Securities LLC to BWO pursuant to the Senior Secured First Lien Term Loan Credit Agreement and (b) a \$75 million asset-based revolving credit facility.

70. “*File*” or “*Filed*” means, with respect to any pleading, entered on the docket of the Chapter 11 Cases and properly served in accordance with the Bankruptcy Rules.

71. “*Final DIP Order*” means the *Final Order Under 11 U.S.C. §§ 105, 362, 363 and 364 and Fed. R. Bankr. P. 2002, 4001 and 9014 Authorizing Flying J Inc. to (A) Obtain Postpetition Financing, (B) Grant Liens and Superpriority Claims, and (C) Execute a Letter of Intent Relating to the Target Assets* [Docket No. 1631].

72. “*Final Order*” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or has otherwise been dismissed with prejudice.

73. “*First Day Pleadings*” means those certain pleadings Filed by the Debtors contemporaneously with their voluntary petitions on the Petition Date.

74. “*FJOG*” means Flying J Oil & Gas Inc.

75. “*FJOG Sale*” means the sale of the FJOG Sellers’ oil and gas exploration and production business.

76. “*FJOG Sellers*” means collectively FJOG, Big West Oil & Gas Inc. and Flat Rock Gas LLC.

77. “*Flying J*” means Flying J Inc.

78. “*Flying J Canada*” means Flying J Canada Inc.

79. “*Flying J Insurance Services*” means Flying J Insurance Services Inc.

80. “*Flying J Insurance Services Sale*” means the sale of substantially all of Flying J Insurance Services’ operating assets and other assets.

81. “*Flying J Notes*” means the [__]% Secured Notes due 20[__] under an indenture among itself, [_____] and [_____] as indenture trustee.

82. “*Force Majeure Event*” means a significant global disruption in the financial markets caused by outbreak of war (declared or undeclared), terrorism, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, and failure of energy sources or other incidents, but not adverse changes in the financial, banking or capital markets generally.

83. “*FTC*” means the Federal Trade Commission.

84. “*General Unsecured Claims*” means Claims against any Debtor that are not Administrative Claims, Pilot DIP Facility Claims, Priority Tax Claims, Other Priority Claims, Other Secured Claims, Intercompany Claims or Equity Interests.

85. “*Haycock*” means Haycock Petroleum Company.

86. “*Haycock Sale*” means the sale of substantially all of Haycock’s assets to Thomas Petroleum pursuant to the Asset Purchase Agreement, dated as of September 4, 2009, by and between Haycock and Thomas Petroleum.

87. “*Holder*” means a Entity holding a Claim or an Equity Interest.

88. “*HSR Act*” means the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended and the rules promulgated thereunder by the FTC.

89. “*Impaired*” means, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests, “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

90. “*Initial Distribution Date*” means the date on which the Reorganized Debtors shall make the initial Distribution, which shall be a date selected by the Reorganized Debtors.

91. “*Intercompany Claims*” means Claims held by a Debtor or Affiliate of the Debtors against another Debtor or Affiliate of the Debtors.

92. “*Interim Compensation Order*” means that certain order of the Bankruptcy Court allowing Estate Professionals to seek interim compensation in accordance with the compensation procedures approved therein, as may have been modified by a Bankruptcy Court order approving the retention of the Professionals.

93. “*Lien*” means a lien as defined in section 101(37) of the Bankruptcy Code.

94. “*Liquidating Trust*” means the Entity described in Article IV.B that will succeed to all of the assets and liabilities of the BWOC Estate, subject to the terms of this Plan, as of the Effective Date.

95. “*Liquidating Trust Agreement*” means that certain agreement establishing and delineating the terms and conditions of the Liquidating Trust, substantially in the form to be filed as part of the Plan Supplement.

96. “*Liquidating Trust Assets*” means all BWOC assets held from time to time by the Liquidating Trust, including, but not limited to, the BWOC Non-Acquired Assets, which assets shall consist of all assets of all of BWOC’s chapter 11 Estate (including without limitation, any and all rights to any recoveries from any party arising from any Causes of Action, insurance proceeds or otherwise) after consummation of the transactions contemplated by the BWOC APA.

97. “*Liquidating Trust Expenses*” means the reasonable fees and expenses of the Liquidating Trustee, including, without limitation, reasonable professional fees.

98. “*Liquidating Trustee*” means reorganized Flying J, in its capacity as administrator of the Liquidating Trust.

99. “*Longhorn*” means Longhorn Partners Pipeline, L.P.

100. “*LPH*” means Longhorn Pipeline Holdings, LLC.

101. “*LPP*” means Longhorn Pipeline, Inc.

102. “*Magellan*” means Magellan Midstream Partners, L.P.

103. “*Management and Employee Incentive Plan*” means the compensation program to be established by the Debtors for members of their senior and middle management and certain employees of the Debtors in the remaining business units and operations of the Debtors, substantially in the form attached to the Plan Supplement.

104. “*Non-Acquired Assets*” means any property of a Debtor that is not acquired by Pilot in the Pilot Transaction and not included in the Pipeline Sale, the Proposed BWOC Sale, the Flying J Insurance Services Sale, the FJOG Sale or the sale of certain assets of Clarity Systems..

105. “*Oaktree DIP Facility*” means the debtor in possession financing facility provided to the Debtors by Oaktree Capital.

106. “*Other Priority Claims*” means Claims accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims.

107. “*Other Secured Claims*” means Claims against any Debtor (other than the Pilot DIP Facility Claims) that are secured by a lien on property in which the Estate has an interest, which liens are valid, perfected and enforceable under applicable law or by reason of a Final Order, or that are subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

108. “*Petition Date*” means December 22, 2008, the date on which the Debtors Filed the Chapter 11 Cases.

109. “*Pilot*” means Pilot Travel Centers LLC.

110. “*Pilot DIP Credit Agreement*” means, as amended, supplemented or modified from time to time that certain Senior Secured Super-Priority Debtor-In-Possession Revolving Credit Agreement among Flying J, as borrower, and the Pilot Lender, dated July 31, 2009.

111. “*Pilot DIP Facility*” means the Debtors’ postpetition financing, provided pursuant to the Pilot DIP Credit Agreement, which the Bankruptcy Court approved pursuant to the Final DIP Order.

112. “*Pilot DIP Facility Claims*” means any Claims of Pilot arising out of the Pilot DIP Facility or the Pilot DIP Credit Agreement.

113. “*Pilot Sale Order*” means the order of the Bankruptcy Court, dated as of January 27, 2010, approving the Pilot Transaction, the Acquisition Agreement and the Conoco Agreement [Docket No. 2637].

114. “*Pilot Transaction*” means the sale of substantially all of the Debtors’ retail operations to Pilot.

115. “*Pipeline*” means a 700-mile common carrier pipeline with installed capacity of over 70,000 barrels per day from the Gulf Coast near Houston to El Paso, Texas.

116. “*Pipeline APA*” means that certain Asset Purchase Agreement by and among Magellan and Longhorn dated as of June 18, 2009.

117. “*Pipeline Sale*” means the sale of the Pipeline to Magellan pursuant to the Pipeline APA.

118. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules and exhibits to the Plan.

119. “*Plan*” means this plan of reorganization under chapter 11 of the Bankruptcy Code, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules or herewith, as the case may be, and the Plan Supplement, which is incorporated herein by reference.

120. “*Prepetition Credit Facility Claims*” means, collectively, the Claims arising out of the Big West Revolver and the Big West Term Loan.

121. “*Priority Tax Claims*” means Claims of governmental units of the kind specified in section 507(a)(8) of the Bankruptcy Code.

122. “*Pro Rata*” means the ratio of the amount of an Allowed Claim in a particular Class to the aggregate amount of all Allowed Claims in such Class.

123. “*Professional*” means any person or Entity employed pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code, and to be compensated for services rendered prior to and including the Effective Date pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code.

124. “*Professional Fee Escrow Account*” means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount funded and maintained by the Reorganized Debtors on and after the Effective

Date solely for the purpose of paying all Allowed and unpaid fees and expenses of Professionals in the Chapter 11 Cases.

125. “*Professional Fee Reserve Amount*” means Accrued Professional Compensation through the Effective Date as estimated by the Professionals in accordance with Article VIII.D.

126. “*Proof of Claim*” means a proof of Claim Filed against the Debtors in these Chapter 11 Cases.

127. “*Proposed BWOC Sale*” means the sale of substantially all of BWOC’s operating assets, related inventory and other assets, including the Bakersfield Refinery.

128. “*Quarterly Distribution Date*” means the first Business Day after the end of each quarterly calendar period (*i.e.*, March 31, June 30, September 30 and December 31 of each calendar year).

129. “*Ratable Proportion*” means, with reference to any distribution on account of any Allowed Claim in any Class, the ratio (expressed as a percentage) that the amount of the Allowed Claim bears to the aggregate amount of all Allowed and Disputed Claims in that Class.

130. “*Record Date*” means the record date for determining the entitlement of Holders of Claims to receive distributions under the Plan on account of Allowed Claims. The Record Date shall be the date on which the Disclosure Statement Order is entered.

131. “*Refinancing*” means the refinancing and issuance of a \$360 million senior secured credit facility and a \$75 million asset-based revolver for BWO arranged by Banc of America Securities LLC upon terms and conditions acceptable to the Debtors, as described herein.

132. “*Refinery Sale*” means the sale by BWOC of certain of its assets, including the Bakersfield Refinery.

133. “*Releasees*” means, collectively, means (a) all officers, directors and employees and their respective subsidiaries employed by the Debtors at any time since the Petition Date, (b) all attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, agents, affiliates and representatives of the Debtors and their subsidiaries and the Reorganized Debtors and (c) Pilot, the Creditors’ Committee and the individual members thereof and each of their respective Representatives (each of the foregoing in its individual capacity as such).

134. “*Releasing Parties*” means, collectively: Holders of Claims or Equity Interests who do not vote to reject the Plan (including those deemed to accept the Plan pursuant to Bankruptcy Code section 1126(f); Pilot; the Creditors’ Committee; each current member of the Creditors’ Committee; and Holders of Claims or Equity Interests who receive any Distribution under the Plan.

135. “*Remaining Sales Transactions*” means the sale, in the Debtors’ sole discretion, of the Non-Acquired Assets through one or more sales conducted both prior and subsequent to Confirmation of this Plan, but not including the sale of any assets by virtue of the transactions contemplated by the Acquisition Agreement, the Pipeline APA or the BWOC APA.

136. “*Reorganized Debtors*” means the Debtors, in each case, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

137. “*Representatives*” means, with regard to an Entity, officers, directors, employees, advisors, attorneys, professionals, accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, members and professionals).

138. “*Revolver Agent*” means BofA as administrative agent under the Big West Revolver.

139. “*Revolver Lenders*” means the lenders party to the Big West Revolver.

140. “*Sale Proceeds*” means the Cash and equity consideration received by Flying J pursuant to the Acquisition Agreement, including all Cash in escrow accounts established pursuant to the terms of the Acquisition Agreement.

141. “*Schedules*” mean the schedules of assets and liabilities, schedules of executory contracts and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code.

142. “*Supplemental 503(b)(9) Bar Date*” means the date 30 days after a Supplemental Party (as defined in the Supplemental Bar Date Order) received the section 503(b)(9) Supplemental Notice (as defined in the Supplemental Bar Date Order).

143. “*Supplemental Bar Date Order*” means the Supplemental Order Establishing Bar Date for Filing Requests for Payment of Administrative Expense Claims and Approving Form, Manner, and Sufficiency of Notice of the Bar Date [Docket No. 1427] dated June 24, 2009.

144. “*TAB*” means Transportation Alliance Bank, Inc.

145. “*TCH*” means Transportation Clearing House LLC.

146. “*TCH Settlement Agreement*” means that Settlement Agreement and Release, dated as of July 30, 2009, by and among Flying J, TCH, TON Services, Inc., TAB, CFJ, AFJ LLC, TFJ, Louisiana Greenwood LLC, Pilot and Pilot Corporation.

147. “*Term Loan Agent*” means BofA as administrative and collateral agent under the Big West Term Loan; *provided*, that Wilmington Trust Company became the Term Loan Agent after the Petition Date.

148. “*Term Loan Lenders*” the lenders party to the Big West Term Loan.

149. “*Thomas Petroleum*” means Thomas Petroleum LLC.

150. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

151. “*Unimpaired*” means, with respect to a Claim, Equity Interest, or Class of Claims or Equity Interests, not “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy Code.

152. “*U.S. Trustee*” means the United States Trustee appointed under Article 591 of title 28 of the United States Code to serve in the District of Delaware.

153. “*Voting Classes*” means Classes 1B, 1C, 1D, 1E, 2C, 2D, 3C, 3D, 3E, 5B and 5C.

154. “*Voting and Claims Agent*” means Epiq.

B. *Rules of Interpretation*

1. For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neutral gender shall include the masculine, feminine and the neutral gender; (b) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (e) the words “herein,” “hereof” and “hereto” refer to the Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or

the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

2. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed hereby.

3. All references herein to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

C. *Exhibits*

The Plan Supplement shall be filed with the Clerk of the Bankruptcy Court not later than **[five]** days before the Voting Deadline, or such later date as may be approved by the Bankruptcy Court on notice to parties in interest. The Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal hours of operation of the Bankruptcy Court. A copy of the Plan Supplement can also be obtained (a) from the Voting and Claims Agent, (b) at the Debtors' website: <http://chapter11.epiqsystems.com/flyingj>, (c) by writing to Flying J Inc. Claims Processing Center, c/o Epiq Bankruptcy Solutions, LLC, FDR Station, P.O. Box 5082, New York, NY, 10150-5082, (d) by calling (646) 282-2400 or (e) for a fee via PACER at <http://www.deb.uscourts.gov/>. Holders of Claims or Equity Interests may also obtain a copy of the Plan Supplement, after they have been filed, from the Debtors by a written request sent to the following address:

Young Conaway Stargatt & Taylor, LLP
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Attn.: Pauline K. Morgan, Esq.

ARTICLE II

ADMINISTRATIVE AND PRIORITY CLAIMS

A. *Administrative Claims*

Subject to the provisions of sections 328, 330(a) and 331 of the Bankruptcy Code, and except as specifically provided in this Article II.A, and subject to the bar date provisions herein, unless otherwise agreed to by the Holder of an Administrative Claim and the Debtors or Reorganized Debtors, as applicable, each Holder of an Allowed Administrative Claim will receive, in full satisfaction of its Administrative Claim, Cash equal to the Allowed amount of such Administrative Claim either (i) on the Effective Date; (ii) if the Administrative Claim is not allowed as of the Effective Date, as soon as practicable after the date on which an order allowing such Administrative Claim becomes a Final Order or a stipulation regarding the amount and nature of such Claim is executed by the Reorganized Debtors and the Holder of the Administrative Claim; or (iii) at such time and upon such terms as set forth in an order of the Bankruptcy Court; *provided, however*, that in the Debtors' discretion, Administrative Claims do not include 503(b)(9) Claims asserted after the 503(b)(9) Bar Date or Supplemental 503(b)(9) Bar Date or Administrative Claims Filed after the Bar Date.

1. Statutory Fees

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 will be paid by the Debtors in Cash equal to the amount of such Administrative Claims. After the Effective Date, all fees payable pursuant to 28 U.S.C. § 1930 will be paid by the Reorganized Debtors in accordance therewith until the order is entered closing the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code.

2. Ordinary Course Liabilities

Subject to the Bar Date or 503(b)(9) Bar Date, as applicable, Administrative Claims based on liabilities incurred by the Debtors in the ordinary course of their business will be paid by the Debtors or Reorganized Debtors, as applicable, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative

Claims or, if and to the extent that such ordinary course obligations are assumed by Pilot, by Pilot, in each case without any further action by the Holders of such Administrative Claims.

3. DIP Facility Claims

Notwithstanding anything to the contrary herein, on the Effective Date, the Allowed Pilot DIP Facility Claims will be paid in full in Cash in accordance with the terms of the Pilot DIP Credit Agreement.

B. *Priority Tax Claims*

The Debtors or Reorganized Debtors, as applicable, shall pay each Holder of an Allowed Priority Tax Claim the full unpaid amount of such Allowed Priority Tax Claim in Cash, on the latest of (i) the Effective Date, (ii) the date such Allowed Priority Tax Claim becomes Allowed and (iii) the date such Allowed Priority Tax Claim is payable under applicable non-bankruptcy law, or provide such other treatment agreed to by the Debtors and the Holders of such Allowed Priority Tax Claim.

C. *Other Priority Claims*

On or as soon as practicable after the Effective Date, each Holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction of such Claim, one of the following treatments, in the sole discretion of the Debtors or the Reorganized Debtors, as applicable: (a) full payment in Cash of its Allowed Other Priority Claim; or (b) treatment of its Allowed Other Priority Claim in a manner that leaves such Claim Unimpaired.

ARTICLE III

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. *Summary*

1. This Plan constitutes a separate chapter 11 plan of reorganization for each Debtor. Except for Administrative Claims, Priority Tax Claims and Other Priority Claims, all Claims against and Equity Interests in a particular Debtor are placed in Classes for each of the Debtors. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Priority Tax Claims and Other Priority Claims, as described in Article II.

2. The following table classifies Claims against and Equity Interests in each Debtor for all purposes, including voting, confirmation and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. Any Claim or Equity Interest that has been or is hereafter listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely Filed, is not considered Allowed and shall be expunged without further action by the Reorganized Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. *Summary of Classification and Treatment of Classified Claims and Equity Interests.*

SUMMARY OF STATUS AND VOTING RIGHTS IN FLYING J ESTATE			
<u>Class</u>	<u>Claim or Equity Interest</u>	<u>Status</u>	<u>Voting Rights</u>
1A	Flying J Other Secured Claims	Unimpaired	Deemed to Accept
1B	Flying J General Unsecured Claims	Impaired	Entitled to Vote
1C	Flying J-BWO Intercompany Claims	Impaired	Entitled to Vote
1D	Flying J-TCH Intercompany Claims	Impaired	Entitled to Vote
1E	Other Flying J Intercompany Claims	Impaired	Entitled to Vote

1F	Flying J Equity Interests	Unimpaired	Deemed to Accept
1G	510(b) Claims Related to Flying J Common Stock	Unimpaired	Deemed to Accept
1H	Flying J ESOP Equity Interests	Unimpaired	Deemed to Accept
1I	Flying J Convenience Claims	Unimpaired	Deemed to Accept
SUMMARY OF STATUS AND VOTING RIGHTS IN BWO ESTATE			
2A	BWO Prepetition Credit Facility Claims	Unimpaired	Deemed to Accept
2B	BWO Other Secured Claims	Unimpaired	Deemed to Accept
2C	BWO General Unsecured Claims	Impaired	Entitled to Vote
2D	BWO Intercompany Claims	Impaired	Entitled to Vote
2E	BWO Equity Interests	Unimpaired	Deemed to Accept
2F	BWO Convenience Claims	Unimpaired	Deemed to Accept
SUMMARY OF STATUS AND VOTING RIGHTS IN BWOC ESTATE			
3A	BWOC Prepetition Credit Facility Claims	Unimpaired	Deemed to Accept
3B	BWOC Other Secured Claims	Unimpaired	Deemed to Accept
3C	BWOC General Unsecured Claims	Impaired	Entitled to Vote
3D	BWOC Intercompany Claims	Impaired	Entitled to Vote
3E	BWOC Equity Interests	Impaired	Entitled to Vote
3F	BWOC Convenience Claims	Unimpaired	Deemed to Accept
SUMMARY OF STATUS AND VOTING RIGHTS IN BWT ESTATE			
4A	BWT Prepetition Credit Facility Claims	Unimpaired	Deemed to Accept
4B	BWT Equity Interests	Unimpaired	Deemed to Accept
SUMMARY OF STATUS AND VOTING RIGHTS IN LONGHORN ESTATE			
5A	Longhorn Other Secured Claims	Unimpaired	Deemed to Accept
5B	Longhorn General Unsecured Claims	Impaired	Entitled to Vote
5C	Longhorn Intercompany Claims	Impaired	Entitled to Vote
5D	Longhorn Equity Interest	Unimpaired	Deemed to Accept
5E	Longhorn Convenience Claims	Unimpaired	Deemed to Accept

B. *Classification and Treatment of Claims and Equity Interests*

Flying J

1. Flying J Other Secured Claims (Class 1A)

(a) Treatment: Holders of Other Secured Claims against Flying J shall receive the following treatment, at the option of Flying J: (a) the Debtors or Reorganized Debtors shall pay such Allowed Other Secured Claim in full in Cash; (b) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (c) other treatment rendering such claim unimpaired.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

2. Flying J General Unsecured Claims (Class 1B)

(a) Treatment: Holders of Allowed General Unsecured Claims against Flying J shall receive a pro rata share of (i) "Distributable Cash" of at least [__]% of such Allowed Claims and (ii) Flying J Notes for the remainder of such Allowed Claims.

(b) Voting: Impaired; entitled to vote.

3. Flying J-BWO Intercompany Claims (Class 1C)

(a) Treatment: On the Effective Date, Flying J shall, in its sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel intercompany claims between Flying J and BWO.

(b) Voting: Impaired; entitled to vote.

4. Flying J-TCH Intercompany Claims (Class 1D)

(a) Treatment: All TCH Intercompany Claims shall be treated in accordance with the TCH Settlement Agreement.

(b) Voting: Impaired; entitled to vote.

5. Other Flying J Intercompany Claims (Class 1E)

(a) Treatment: On the Effective Date, Flying J shall, in its sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel intercompany claims between and among Flying J and its affiliates.

(b) Voting: Impaired; entitled to vote.

6. Flying J Equity Interests (Class 1F)

(a) Treatment: Each Holder of a Flying J Equity Interest shall retain its Equity Interest in Flying J.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

7. 510(b) Claims Related to Flying J Common Stock (Class 1G)

(a) Treatment: Each Holder of a 510(b) Claim shall [____].

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

8. Flying J ESOP Equity Interests (Class 1H)

(a) Treatment: Each Holder of a Flying J ESOP Equity Interest shall retain its ESOP Equity Interest in Flying J.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

9. Flying J Convenience Claims (Class 1I)

(a) Treatment: Holders of Convenience Claims against Flying J shall receive full payment in Cash for their Allowed Convenience Claims.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

BWO

1. BWO Prepetition Credit Facility Claims (Class 2A)

(a) Treatment: Holders of Prepetition Credit Facility Claims against BWO shall receive full payment in Cash of their Allowed Prepetition Credit Facility Claim.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

2. BWO Other Secured Claims (Class 2B)

(a) Treatment: Holders of Other Secured Claims against BWO shall receive the following treatment, at the option of BWO: (a) the Debtors or Reorganized Debtors shall pay such Allowed Other Secured Claim in full in Cash; (b) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (c) other treatment rendering such claim unimpaired.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

3. BWO General Unsecured Claims (Class 2C)

(a) Treatment: Holders of Allowed General Unsecured Claims against BWO shall receive a pro rata share of (i) "Distributable Cash" of at least [__]% of such Allowed Claims and (ii) Flying J Notes for the remainder of such Allowed Claims.

(b) Voting: Impaired; entitled to vote.

4. BWO Intercompany Claims (Class 2D)

(a) Treatment: On the Effective Date, BWO shall, in its sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel intercompany claims between and among BWO and its affiliates.

(b) Voting: Impaired; entitled to vote.

5. BWO Equity Interests (Class 2E)

(a) Treatment: All Equity Interests in reorganized BWO shall be held by reorganized Flying J.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

6. BWO Convenience Claims (Class 2F)

(a) Treatment: Holders of Convenience Claims against BWO shall receive full payment in Cash for their Allowed Convenience Claims.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

BWOC

1. BWOC Prepetition Credit Facility Claims (Class 3A)

(a) Treatment: Holders of Prepetition Credit Facility Claims against BWOC shall receive full payment in Cash of their Allowed Prepetition Credit Facility Claim as part of their Class 2A distributions.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

2. BWOC Other Secured Claims (Class 3B)

(a) Treatment: Holders of Other Secured Claims against BWOC shall receive the following treatment, at the option of BWOC: (a) the Debtors or Reorganized Debtors shall pay such Allowed Other Secured Claim in full in Cash; (b) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (c) other treatment that leaves such Claim unimpaired.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

3. BWOC General Unsecured Claims (Class 3C)

(a) Treatment: Holders of Allowed General Unsecured Claims against BWOC shall receive a pro rata share of (i) “Distributable Cash” of at least [____]% of such Allowed Claims and (ii) Flying J Notes for the remainder of such Allowed Claims.

(b) Voting: Impaired; entitled to vote.

4. BWOC Intercompany Claims (Class 3D)

(a) Treatment: On the Effective Date, BWOC shall, in its sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel intercompany claims between and among BWOC and its affiliates.

(b) Voting: Impaired; entitled to vote.

5. BWOC Equity Interests (Class 3E)

(a) Treatment: Holders of BWOC Equity Interests shall receive no distributions. On the Effective Date, certificates evidencing Equity Interests in BWOC shall be cancelled. On the Effective Date, a liquidating trust owned by reorganized Flying J shall be established for the purpose of (a) administering and liquidating any remaining assets of BWOC after the Refinery Sale, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of such liquidating trust, (b) resolving all disputed Claims, (c) pursuing causes of action, and (d) making all distributions to the beneficiary provided for under the Plan. BWO will hold all the beneficial interests in the liquidating trust and will act as administrator of the liquidating trust.

(b) Voting: Impaired; entitled to vote.

6. BWOC Convenience Claims (Class 3F)

(a) Treatment: Holders of Convenience Claims against BWOC shall receive full payment in Cash for their Allowed Convenience Claims.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

BWT

7. BWT Prepetition Credit Facility Claims (Class 4A)

(a) Treatment: Holders of Prepetition Credit Facility Claims against BWT shall receive full payment in Cash of their Allowed Prepetition Credit Facility Claim as part of their Class 2A distributions.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

8. BWT Equity Interests (Class 4B)

(a) Treatment: All Equity Interests in reorganized BWT shall be held by reorganized BWO.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

Longhorn

9. Longhorn Other Secured Claims (Class 5A)

(a) Treatment: Holders of Other Secured Claims against Longhorn shall receive the following treatment, at the option of Longhorn: (a) the Debtors or Reorganized Debtors shall pay such Allowed Other

Secured Claim in full in Cash; (b) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (c) other treatment rendering such claim unimpaired.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

10. Longhorn General Unsecured Claims (Class 5B)

(a) Treatment: Holders of General Unsecured Claims against Longhorn shall receive a pro rata share of (i) "Distributable Cash" of at least [__]% of such Allowed Claims and (ii) Flying J Notes for the remainder of such Allowed Claims.

(b) Voting: Impaired; entitled to vote.

11. Longhorn Intercompany Claims (Class 5C)

(a) Treatment: On the Effective Date, Longhorn shall, in its sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel intercompany claims between and among Longhorn and its affiliates.

(b) Voting: Impaired; entitled to vote.

12. Longhorn Equity Interests (Class 5D)

(a) Treatment: All Equity Interests in reorganized Longhorn shall be held by reorganized Flying J.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

13. Longhorn Convenience Claims (Class 5E)

(a) Treatment: Holders of Convenience Claims against Longhorn shall receive full payment in Cash of their Allowed Convenience Claim.

(b) Voting: Unimpaired; not entitled to vote and deemed to accept.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided in this Plan, nothing under the Plan shall affect the rights of the Debtors or the Reorganized Debtors in respect of any Unimpaired Claim, including, without limitation, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim.

D. *Non-Consensual Confirmation*

The Debtors reserve the right to seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code. To the extent that any Class votes to reject the Plan, the Debtors further reserve the right to modify the Plan in accordance with Article XII.D.

E. *Acceptance or Rejection of this Plan*

1. Voting Classes

Classes 1B, 1C, 1D, 1E, 2C, 2D, 3C, 3D, 3E, 5B and 5C are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of this Plan

Classes 1A, 1F, 1G, 1H, 1I, 2A, 2B, 2E, 2F, 3A, 3B, 3F, 4A, 4B, 5A 5D, and 5E are Unimpaired under the Plan. Pursuant to section 1126(f) of the Bankruptcy Code the Holders of Claims and Equity Interests in such

Classes are conclusively presumed to have accepted the Plan and therefore are not entitled to vote to accept or reject the Plan.

F. *Controversy Concerning Impairment*

If a controversy arises as to whether any Claims or Equity Interests, or any Class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

ARTICLE IV

MEANS FOR IMPLEMENTATION OF THIS PLAN

A. *Asset Sales and Other Transactions*

1. On or prior to the Effective Date:

- (a) Flying J shall consummate the transactions contemplated by the Acquisition Agreement;
- (b) BWOC shall consummate the transactions contemplated by the BWOC APA;
- (c) BWO shall consummate the transactions contemplated by the Exit Facilities; and

(d) The Debtors may, in their sole discretion, consummate the sale of certain of the Non-Acquired Assets.

2. Issuance of Flying J Notes

Flying J will issue the Flying J Notes. The Debtors will distribute the Flying J Notes to Holders of Allowed Unsecured Claims in accordance with this Plan. As discussed below, the Flying J Notes will be part of the consideration paid to such Holders upon confirmation of the Plan. The Flying J Notes are Flying J obligations secured by [____]. Flying J will use Cash generated in its combined operations with Pilot after the Effective Date, dividends received from Pilot and its share of net proceeds from any asset sales that occur after the Effective Date to make principal and interest payments on the Flying J Notes. The Flying J Notes have the following terms:

(a) Issuer: Flying J

(b) Securities: Debentures in principal amount of \$[_____] first-priority senior secured notes due 20[____], which principal amount may be adjusted from time to time as necessary in connection the Claims resolution process and the allowance of additional Claims.

(c) Maturity: The Flying J Notes will mature [__] years from the effective date.

(d) Interest: The Flying J Notes will accrue interest at a rate of [__]% per annum payable semi-annually in cash with PIK option at the Borrower's election for each payment period to the extent dividends and tax distributions have not been distributed (subject to mutually agreed formula) to reorganized Flying J.

(e) Collateral: [_____].

(f) Seniority: Senior to all indebtedness at reorganized Flying J, except for Permitted Liens. In addition to customary exceptions, Permitted Liens shall include liens granted on Collateral if loan proceeds are used to repay the Flying J Notes..

(g) Mandatory Amortization: [__]% of principal per year.

(h) Voluntary Repayment: Partial or full repayment may be made at any time without premium or penalty.

(i) Repayment: To be repaid using [__]% of excess Cash flow (to be defined) commencing in year 2, and [__]% of asset sale proceeds.

(j) Restricted Payments: Dividends to Flying J shareholders prohibited until Flying J Notes are paid in full, except redemption of up to \$[__] million on a rolling, trailing 12 month basis for ESOP participants shall be permitted.

(k) Financial Covenants: Minimum net worth covenant of reorganized Flying J.

(l) Covenants: Customary for transactions of this type.

(m) Events of Default: Customary for transactions of this type.

(n) Governing Law: New York.

3. Distribution of Flying J Notes

The Debtors will distribute Flying J Notes and Cash to Holders of Allowed Unsecured Claims in order to pay the related Claims in full. All such distributions shall be made in accordance with this Plan.

4. Indenture Trustee

The Debtors will maintain one or more paying agents for the Flying J Notes. The initial paying agent for the Flying J Notes will be the indenture trustee under the indenture for the Flying J Notes, which will be qualified under the Trust Indenture Act of 1939. The Debtors will also maintain a register. The initial registrar will be the indenture trustee. The registrar will maintain the register reflecting ownership of the Flying J Notes outstanding from time to time and will make payments on and facilitate transfer of Flying J Notes on behalf of the Debtors. The Debtors may change the paying agents or the registrars without prior notice to the holders of Flying J Notes. Any Debtor may act as a paying agent or registrar.

B. *The Liquidating Trust*

On the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of administering and liquidating the Liquidating Trust Assets, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Flying J will be the sole beneficiary of the Liquidating Trust. Upon the transfer of the Liquidating Trust Assets, BWOC will have no reversionary or further interest in or with respect to the Liquidating Trust Assets or the Liquidating Trust. The Liquidating Trust shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely distributions to Flying J and not unduly prolong its duration.

C. *Corporate Existence*

1. Except to the extent that a Debtor ceases to exist pursuant hereto, each Debtor shall continue to exist after the Effective Date as a separate corporate entity or limited liability company, with all the powers of a corporation or limited liability company pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents in the case of a limited liability company) in effect prior to the Effective Date, except to the extent such certificate of incorporation or bylaws (or other formation documents in the case of a limited liability company) are amended by the Plan or otherwise and, to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions or consents.

2. On the Effective Date, any provision in any operating agreements, partnership agreements, limited liability company agreements or any other organizational document (as the same may be amended or restated from time to time) of any Debtor or non-Debtor Subsidiaries where any Debtor is a partner, member or contract counterparty requiring dissolution, liquidation, or withdrawal of a member upon insolvency, bankruptcy or the filing of Chapter 11 Cases is deemed waived and of no further force and effect, regardless of any applicable non-

bankruptcy law to the contrary and any action taken to prevent or revoke such potential dissolution or liquidation by the Debtors or Reorganized Debtors or potential withdrawal of any such Debtors or Reorganized Debtors from the applicable limited liability company or partnership is ratified and deemed effective to prevent such dissolution or liquidation and each such Debtor or Reorganized Debtor shall continue its existence regardless of any such provision or any applicable non-bankruptcy law to the contrary.

3. Upon the Effective Date, each of BWOC, BWT and Longhorn shall be entitled to dissolve, shall be deemed to have satisfied all of its obligations, shall have complied in all respects with all legal requirements for dissolution of a limited liability company or limited partnership, as applicable, under applicable non-bankruptcy law, and shall have no further liabilities or obligations to any party in interest other than those expressly set forth in this Plan.

D. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in this Plan or in any agreement, instrument or other document relating thereto, on or after the Effective Date pursuant to section 1141 of the Bankruptcy Code, all property of the Estate and any property acquired by the Debtors or Pilot pursuant hereto shall vest in the Reorganized Debtors or Pilot, free and clear of all liens, Claims, charges or other encumbrances. Except as may be provided in this Plan, on and after the Effective Date, the Debtors may operate their businesses and may use, acquire or dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order.

E. *Directors/Managers/Officers of the Debtors on the Effective Date.*

On the Effective Date, the term of the current members of the board of directors or managers of the Debtors shall expire, and the initial board of directors or managers of the Reorganized Debtors shall be set forth in the Plan Supplement. In accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Person proposed to serve as an officer, director or manager of any Reorganized Debtor shall have been disclosed at or before the Confirmation Hearing. To the extent any Person proposed to serve as a board member or manager or an officer of any Reorganized Debtor is an insider, the nature of any compensation for such Person shall have been disclosed at or before the Confirmation Hearing. The classification and composition of the board of directors or managers of the Reorganized Debtors shall be consistent with the organizational documents of the Reorganized Debtors. Each director or officer of any Reorganized Debtor shall serve from and after the Effective Date pursuant to the terms of the constituent documents of such Reorganized Debtor and applicable state corporate, limited liability or partnership law, as applicable.

F. *Exit Facilities*

On the Effective Date, BWO shall enter into the Exit Facilities to obtain the funds necessary to satisfy some or a portion of the BWO Prepetition Credit Facility Claims and conduct its post-reorganization operations.

G. *D&O Insurance*

On or before the Effective Date, the Reorganized Debtors shall obtain reasonably sufficient tail coverage under a directors and officers' liability insurance policy for the current and former directors and officers for a term of six years. As of the Effective Date, the Debtors shall assume all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Unless previously effectuated by separate order entered by the Bankruptcy Court, entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in this Plan, Confirmation of this Plan shall not discharge, impair or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors hereunder as to which no Proof of Claim need be Filed.

H. *Corporate Action*

1. General. Upon the entry of the Confirmation Order by the Bankruptcy Court, all matters provided for under the Plan will be deemed authorized and approved without any requirement of further action by the Debtors, the Debtors' equityholders or the Debtors' boards of directors, boards of managers, or equivalent governing bodies, including (a) adoption or assumption, as applicable, of executory contracts and unexpired leases, (b) selection of the directors and officers for the Reorganized Debtors, (c) the execution and entry into the Exit Facilities, (d) all matters provided for under the Plan involving the corporate structure of any Debtor and (e) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors or Reorganized Debtors (including, any vice-president, president, chief executive officer, treasurer or chief financial officer of the Debtors or Reorganized Debtors), as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of such Reorganized Debtor, including (i) the Exit Facilities and (ii) any and all other agreements, documents, securities and instruments relating to the foregoing. The authorizations and approvals contemplated by this section shall be effective notwithstanding any requirements under non-bankruptcy law.

2. Boards of Directors of the Debtors and the Reorganized Debtors. On the Effective Date, the operation of each of the other Reorganized Debtors shall become the general responsibility of its respective board of directors or board of managers, subject to and in accordance with its respective organizational documents. On the Effective Date, the Debtors' current directors and officers will continue as the directors and officers of the Reorganized Debtors.

I. *Operations of the Debtors Between the Confirmation Date and the Effective Date*

The Debtors shall continue to operate as Debtors-in-Possession during the period from the Confirmation Date through and until the Effective Date, *provided, however*, that Flying J and its Representatives are authorized to take any action reasonably designed to effectuate the transactions contemplated in this Plan, Acquisition Agreement or Plan Supplement.

J. *Term of Injunctions or Stays*

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 Cases are closed.

K. *Sources of Cash for Plan Distributions*

All consideration necessary for the Reorganized Debtors to make payments or distributions pursuant hereto shall be obtained from proceeds of the Pilot Transaction, the Proposed BWOC Sale, the FJOG Sale, the Flying J Insurance Services Sale, the Haycock Sale, the Exit Facilities, the sale of certain Clarity Systems assets and the other asset sales described herein or other Cash from the Debtors, including Cash from operations.

Pursuant to section 363 of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Equity Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Equity Interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable, and in the best interests of the Debtors, the Estates and Holders of Claims and Equity Interests.

L. *Treatment of Intercompany Claims*

Except as otherwise described in this Plan, on the Effective Date, the Reorganized Debtors shall, in their sole discretion and in accordance with and in order to effectuate the terms of the Plan, satisfy, in full or in part, reinstate or cancel, as the case may be, Intercompany Claims in order to effectuate the Distributions under the Plan.

M. *Restructuring Transactions*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of this Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of this Plan; (3) the filing of appropriate certificates of incorporation, merger, or consolidation with the appropriate governmental authorities pursuant to applicable law; and (4) all other actions that the Reorganized Debtors determine are necessary or appropriate.

N. *Certificate of Incorporation and Bylaws*

The certificates of incorporation and bylaws (or other formation documents relating to limited liability companies) of Debtors shall be amended as may be required to be consistent with the provisions of this Plan and the Bankruptcy Code. On or as soon as reasonably practicable after the Effective Date, each of the Reorganized Debtors shall file Amended Organizational Documents with the secretary of state (or equivalent state officer or entity) of the state under which each such Reorganized Debtor is or is to be incorporated. After the Effective Date, each Reorganized Debtor may file a new, or amend and restate its existing, certificate of incorporation, charter, bylaws, and other constituent documents as permitted by the relevant state corporate law.

O. *Employee and Retiree Benefits*

Except as otherwise provided herein, on and after the Effective Date, the Reorganized Debtors may: (1) honor, in the ordinary course of business, any contracts, agreements, policies, programs, and plans, in each case to the extent disclosed in the Disclosure Statement or the First Day Pleadings, for, among other things, compensation (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity at any time; (2) distribute or reallocate any unused designated employee success fee and bonus funds related to entry of the Confirmation Order or the occurrence of the Effective Date in the ordinary course of their business; and (3) honor, in the ordinary course of business, Claims of employees employed as of the Petition Date for accrued vacation time arising prior to the Petition Date; provided, however, that the Debtors' or Reorganized Debtors' performance of any employment agreement will not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. Nothing in this Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

ARTICLE V
TREATMENT OF EXECUTORY CONTRACTS, UNEXPIRED LEASES, EMPLOYEE BENEFITS AND
WORKERS' COMPENSATION

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

1. Any executory contracts and unexpired leases that are listed in the Plan Supplement as executory contracts or unexpired leases to be assumed, or are to be assumed pursuant to the terms hereof, shall be deemed assumed by the Debtors as of immediately prior to the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

2. Any executory contracts and unexpired leases that have not expired by their own terms on or prior to the Effective Date, which the Debtors have not assumed or rejected during the pendency of the Chapter 11 Cases, which are not listed in the Plan Supplement as executory contracts or unexpired leases to be rejected, and that are not the subject of a motion to reject pending as of the Effective Date, shall be deemed assumed by the Debtors on the Effective Date; provided, however, that any executory contract or unexpired lease where BWOC is a party which is not specifically assumed by the BWOC Successful Bidder shall be deemed rejected as of immediately prior to the Petition Date. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such assumptions or rejections, as applicable, pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

3. The Plan shall constitute a motion to reject such executory contracts and unexpired leases, and the Debtors shall have no further liability thereunder. The entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of any such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code and that the rejection thereof is in the best interest of the Debtors, their Estate and all parties in interest in the Chapter 11 Cases.

B. *Claims Based on Rejection of Executory Contracts or Unexpired Leases*

All proofs of Claim arising from the rejection (if any) of executory contracts or unexpired leases must be filed with the Bankruptcy Court within thirty days after the earlier of: (a) the date of entry of an order of the Bankruptcy Court approving any such rejection; and (b) the Effective Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Article V.A for which Claims are not timely filed within that time period will be forever barred from assertion against the Debtors, the Estate, their successors and assigns, and their assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. All such Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article X.G. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan and shall be subject to the provisions of Article III of this Plan.

C. *Reservation of Rights*

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in this Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

D. *Collective Bargaining Agreements*

Notwithstanding Article V.A, all collective bargaining agreements of any of the Debtors (other than the BWO Collective Bargaining Agreement) have expired and shall not be assumed or rejected pursuant to this Plan. The Debtors shall assume the BWO Collective Bargaining Agreement, which is scheduled to expire on April 15, 2012.

E. *Compensation and Benefit Plans and Treatment of Retirement Plan and Pension Plan*

BWOC has retained sponsorship of the BWOC Pension Plan and prior to the dissolution of BWOC, it will assume and assign its obligations under the BWOC Pension Plan to BWO and BWO will assume such obligations. Flying J will continue to sponsor the BWO Pension Plan. In connection with the BWO Pension Plan and the BWOC Pension Plan, BWO and Flying J will satisfy the minimum funding standards of such pension plans pursuant to 26 U.S.C. § 412 and 29 U.S.C. § 1082, and will administer the Pension Plan in accordance with the provisions of ERISA and the Internal Revenue Code. Notwithstanding any provision of the Plan or the Confirmation Order to the contrary, the Pension Plan shall be continued and administered in accordance with ERISA and the Internal Revenue Code. The Debtors' obligations under the BWO Pension Plan and the BWOC Pension Plan will survive confirmation of the Plan. The foregoing shall satisfy the requirements of section 1129(a)(13) of the Bankruptcy Code by providing for the continuation of payment by the Debtors of all "retiree benefits," as defined in section 1114(a) of the Bankruptcy Code, if any, at previously established levels.

F. *Management and Employee Incentive Plan*

The Debtors will establish the Management and Employee Incentive Plan for members of the Debtors' senior and middle management and certain employees of the Debtors in the remaining business units and operations of the Debtors, which Management and Employee Incentive Plan will be substantially in the form attached to the Plan Supplement. On the Effective Date, the Management and Employee Incentive Plan shall be deemed adopted, approved, and authorized without further action of the Reorganized Debtors or the board of managers or directors of any Reorganized Debtor.

G. *Workers' Compensation Obligations*

As of the Effective Date, to the extent not transferred to or assumed by another party in connection with the Acquisition Agreement or other transaction, the Debtors and the Reorganized Debtors shall continue to honor their obligations (including administering and paying any and all valid claims for benefits and liabilities) under the terms and conditions of: (1) all applicable workers' compensation laws in states in which the Debtors and the Reorganized Debtors operate; and (2) the Debtors' and the Reorganized Debtor's written contracts, agreements, agreements of indemnity, self insurance workers' compensation plans, self insurer workers' compensation bonds, policies, programs, and plans for workers' compensation and workers' compensation insurance. All proofs of Claim on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; provided, however, that nothing in this Plan shall limit, diminish, or otherwise alter the Debtors' or the Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs, and plans; provided, further, that nothing herein shall be deemed to impose any obligations on the Debtors or the Reorganized Debtors in addition to what is provided for under applicable state law.

ARTICLE VI

PROVISIONS GOVERNING DISTRIBUTIONS

A. *Initial Distribution Date*

Except as otherwise provided in this Article VI, distributions of Cash to be made on the Effective Date to Holders of Claims that are allowed as of the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable. Distributions on account of Claims that become Allowed Claims after the Effective Date will be made pursuant to Article VI.C.

B. *Disputed Reserves*

1. Establishment of Disputed Reserve

On the Initial Distribution Date, and after making all distributions required to be made on such date under the Plan, the Reorganized Debtors shall establish a separate Disputed Reserve for Disputed Claims, which Disputed Reserve shall be administered by the Reorganized Debtors. The Reorganized Debtors shall reserve in Cash, for distribution on account of each Disputed Claim, the full asserted amount (or such lesser amount as may be estimated by the Bankruptcy Court in accordance with Article VII.D) of such Disputed Claim multiplied by the percentage of Cash such Disputed Claim would have received under Article III.B if such Disputed Claim were Allowed. In the event any Disputed Claim becomes Allowed, the Cash portion of such Disputed Claim (as calculated in accordance with the prior sentence) shall be released from the Disputed Reserve. Flying J shall issue additional Flying J Notes, in a principal amount equal to the principal amount of Flying J Notes such Disputed Claim would have received under Article III.B for the remaining portion of such Disputed Claim.

2. Maintenance of Disputed Reserve

To the extent that the property placed in a Disputed Reserve consists of Cash, that Cash shall be deposited in an interest-bearing account. The Reorganized Debtors shall hold property in the Disputed Reserve in trust for the benefit of the Holders of Claims ultimately determined to be Allowed. The Disputed Reserve shall be closed and extinguished when all distributions and other dispositions of Cash or other property required to be made hereunder

will have been made in accordance with the terms of this Plan. Upon closure of the Disputed Reserve, all Cash (including any Cash Investment Yield) or other property held in the Disputed Reserve shall revert in and become the property of the applicable Reorganized Debtors. All funds or other property that vest or revert in the Reorganized Debtors pursuant to this paragraph shall be paid to the holders of the Flying J Notes, in accordance with the terms of the related indenture, until satisfied and thereafter distributed on a Pro Rata basis to Holders of Equity Interests.

C. *Quarterly Distributions*

Any distribution that is not made on the Initial Distribution Date or on any other date specified herein because the Claim that would have been entitled to receive that distribution is not an Allowed Claim on such date, shall be held by the Reorganized Debtors in a Disputed Reserve pursuant to Article VI.B.1 and distributed (in full, in the case of Administrative Expense Claims, Priority Tax Claims, or Other Priority Claims; and up to its Ratable Proportion with respect to the Claims in Classes 1B, 2C, 3C and 5B) on the first Quarterly Distribution Date after such Claim is Allowed. No interest shall accrue or be paid on the unpaid amount of any distribution paid on a Quarterly Distribution Date in accordance with this Article VI.C.

D. *Record Date for Distributions*

Except as otherwise provided in a Final Order of the Bankruptcy Court, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Record Date will be treated as the Holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Record Date. Neither the Debtors nor the Reorganized Debtors shall have any obligation to recognize any transfer of any Claim occurring after the Record Date. In making any distribution with respect to any Claim, the Reorganized Debtors shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Entity that is listed on the Proof of Claim Filed with respect thereto or on the Schedules as the Holder thereof as of the close of business on the Record Date and upon such other evidence or record of transfer or assignment that are known to the Reorganized Debtors as of the Record Date.

E. *Delivery of Distributions*

1. General Provisions; Undeliverable Distributions

Subject to Bankruptcy Rule 9010 and except as otherwise provided herein, distributions to the Holders of Allowed Claims shall be made by the Reorganized Debtors as Disbursing Agent or such other Entity designated by the Reorganized Debtors as a Disbursing Agent on the Effective Date at (a) the address of each Holder as set forth in the Schedules, unless superseded by the address set forth on proofs of Claim Filed by such Holder or (b) the last known address of such Holder if no Proof of Claim is Filed or if the Debtors or Reorganized Debtors have been notified in writing of a change of address. If any distribution is returned as undeliverable, the Reorganized Debtors may, in their discretion, make such efforts to determine the current address of the Holder of the Claim with respect to which the distribution was made as the Reorganized Debtor deem appropriate, but no distribution to any Holder shall be made unless and until the Reorganized Debtors have determined the then-current address of the Holder, at which time the distribution to such Holder shall be made to the Holder without interest. Amounts in respect of any undeliverable distributions made by the Reorganized Debtors shall be returned to, and held in trust by, the Reorganized Debtors until the distributions are claimed or are deemed to be unclaimed property under section 347(b) of the Bankruptcy Code as set forth below in Article VI.E.4. The Reorganized Debtors shall have the discretion to determine the methodology of making distributions in the most efficient and cost-effective manner possible; *provided, however*, that its discretion may not be exercised in a manner inconsistent with any express requirements of this Plan.

2. Rights and Powers of Disbursing Agent

(a) Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan,

or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that a Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

(b) Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

3. Minimum Distributions

Notwithstanding anything herein to the contrary, if a distribution to be made to a Holder of an Allowed Claim on the Initial Distribution Date or any subsequent date for distributions (other than the final distribution date) would be \$50 or less in the aggregate, no such distribution will be made to that Holder unless a request therefor is made in writing to the Reorganized Debtors no later than twenty days after the Effective Date.

4. Unclaimed Property

Except with respect to property not distributed because it is being held in a Disputed Reserve, distributions that are not claimed by the expiration of one year from the Effective Date shall be deemed to be unclaimed property under section 347(b) of the Bankruptcy Code and shall vest or revert in the Reorganized Debtors, and the Claims with respect to which those distributions are made shall be automatically canceled. After the expiration of that one-year period, the claim of any Entity to those distributions shall be discharged and forever barred. Nothing contained in this Plan shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim. All funds or other property that vests or reverts in the Reorganized Debtors pursuant to this Article shall be distributed by the Reorganized Debtors to the other Holders of Allowed Claims in accordance with the provisions of this Plan.

F. *Manner of Cash Payments Under the Plan*

Cash payments made pursuant to the Plan shall be in United States dollars by checks drawn on a domestic bank selected by the Reorganized Debtors or by wire transfer from a domestic bank, at the option of the Reorganized Debtors.

G. *Time Bar to Cash Payments by Check*

Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within 90 days after the date of issuance thereof. Requests for the reissuance of any check that becomes null and void pursuant to this Article VI.G shall be made directly to the Reorganized Debtors by the Holder of the Allowed Claim to whom the check was originally issued. Any Claim in respect of such voided check shall be made in writing on or before the later of the first anniversary of the Effective Date or the first anniversary of the date on which the Claim at issue became an Allowed Claim. After that date, all Claims in respect of void checks shall be discharged and forever barred and the proceeds of those checks shall revert in and become the property of the Reorganized Debtors as unclaimed property in accordance with section 347(b) of the Bankruptcy Code and be distributed as provided in Article VI.E.4.

H. *Limitations on Funding of Disputed Reserves*

Except as expressly set forth in this Plan, neither the Debtors nor the Reorganized Debtors shall have any duty to fund the Disputed Reserves.

I. *Compliance with Tax Requirements*

In connection with making distributions under this Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. The Reorganized Debtors may withhold the entire distribution due to any Holder of an Allowed Claim until such time as such Holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the Reorganized Debtors to the appropriate authority. If the Holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six months from the date of first notification to the Holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then such Holder's distribution shall be treated as an undeliverable distribution in accordance with Article VI.E.1. For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

J. *No Payments of Fractional Dollars*

Notwithstanding any other provision of this Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan. Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the actual distribution made shall reflect a rounding down of such fraction to the nearest whole dollar.

K. *Interest on Flying J, BWO and BWT Claims*

Allowed General Unsecured Claims against Flying J, BWO or BWT shall include interest accrued after the Petition Date through the Effective Date at an interest rate equal to the federal judgment rate in effect on the Petition Date. Allowed General Unsecured Claims against BWOC or Longhorn shall not include any interest accrued after the Petition Date.

L. *No Distribution in Excess of Allowed Amount of Claim*

Notwithstanding anything to the contrary contained in this Plan, no Holder of an Allowed Claim shall receive in respect of that Claim any distribution in excess of the Allowed amount of that Claim.

M. *Setoff and Recoupment*

The Reorganized Debtors may, but shall not be required to, set off against, or recoup from, any Claim and the distributions to be made pursuant to the Plan in respect thereof, any claims or defenses of any nature whatsoever that any Debtor, the Estate or Reorganized Debtor may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by a Debtor, the Estate, or Reorganized Debtor of any right of setoff or recoupment that any of them may have against the Holder of any Claim.

N. *Cancellation of the Equity Interests*

On the Effective Date, except to the extent otherwise provided herein, all notes, stock, instruments, certificates and other documents evidencing the Equity Interests in BWOC shall be deemed automatically canceled, shall be of no further force, whether surrendered for cancellation or otherwise, and the obligations of the Debtors thereunder or in any way related thereto shall be discharged.

ARTICLE VII
DISPUTED CLAIMS

A. *No Distribution Pending Allowance*

Notwithstanding any other provision of this Plan, the Reorganized Debtors shall not Distribute any Cash or other property on account of any Disputed Claim unless and until such Claim becomes Allowed. Any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the Disputed Claim has been Allowed.

B. *Resolution of Disputed Claims.*

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Reorganized Debtors (at their expense) shall have the right to the exclusion of all others (except as to the Professionals' applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to make, file, prosecute, settle, compromise, withdraw or resolve in any manner approved by the Bankruptcy Court, objections to Claims.

C. *Objection Deadline*

All objections to Disputed Claims shall be filed and served upon the Holders of each such Claim not later than two years after the Effective Date, unless otherwise agreed to by the parties or ordered by the Bankruptcy Court after notice and a hearing.

D. *Estimation of Claims*

At any time, (a) prior to the Effective Date, the Debtors, and (b) subsequent to the Effective Date, the Reorganized Debtors may request that the Bankruptcy Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Debtors or Reorganized Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Claim, the Debtors or Reorganized Debtors, as applicable, may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

E. *Disallowance of Claims.*

Except as otherwise agreed, any and all proofs of Claim Filed after the applicable Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice or action, order or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing the Bankruptcy Court has entered an order deeming such Claim to be timely filed.

F. *Claims Paid or Payable by Third Parties*

1. *Claims Paid by Third Parties*

The Debtors or the Reorganized Debtors as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. Subject to the last sentence of this paragraph,

to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VIII

ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

A. *Final Fee Applications*

All final requests for payment of Claims of a Professional shall be Filed no later than sixty days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

B. *Payment of Interim Amounts*

Except as otherwise provided in this Plan and subject to Article VIII.A, Professionals shall be paid pursuant to the Interim Compensation Order.

C. *Professional Fee Escrow Account*

In accordance with Article VIII.D, on the Effective Date, the Reorganized Debtors shall fund the Professional Fee Escrow Account with Cash equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals with respect to whom fees or expenses have been held back pursuant to the Interim Compensation Order. Such funds shall not be considered property of the Reorganized Debtors. The remaining amount of Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized Debtors from the Professional Fee Escrow Account when such Claims are Allowed by a Bankruptcy Court order. When all Claims of Professionals have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall be paid to the Reorganized Debtors.

D. *Professional Fee Reserve Amount*

To receive payment for unbilled fees and expenses incurred through the Effective Date, on or before the Effective Date, the Professionals shall estimate their Accrued Professional Compensation prior to and as of the Effective Date and shall deliver such estimate to the Debtors. If a Professional does not provide an estimate, the Reorganized Debtors may estimate the unbilled fees and expenses of such Professional; provided, however, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. The total amount so estimated as of the Effective Date shall comprise the Professional Fee Reserve Amount.

E. *Post-Effective Date Fees and Expenses*

Except as otherwise specifically provided in this Plan, from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation of this Plan incurred by the Reorganized Debtors. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

ARTICLE IX

CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. *Conditions Precedent to the Effective Date*

The following are conditions precedent to the Effective Date that must be satisfied or waived:

1. The Confirmation Order has become a Final Order.
2. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.
3. The Debtors shall have consummated the transactions contemplated by the Acquisition Agreement and any applicable waiting periods under the HSR Act shall have expired or been terminated.
4. The transactions contemplated by the BWOC APA shall have been consummated.
5. The transactions contemplated by the Exit Facilities shall have been consummated.
6. No Force Majeure Event shall have occurred.
7. Notwithstanding the foregoing, the Debtors reserves, in their sole discretion, the right to waive the occurrence of any condition precedent to the Effective Date or to modify any of the foregoing conditions precedent. Any such written waiver of a condition precedent set forth in this Article may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action.

ARTICLE X

SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS

A. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in this Plan, the distributions, rights, and treatment, including assumption of liabilities by third parties under the Acquisition Agreement and BWOC APA that are provided for or contemplated in this Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors in accordance with Article III, Equity Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Equity Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Equity Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including

withdrawal liability) to the extent such Claims or Equity Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Equity Interest based upon such debt, right, or Equity Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Equity Interest based upon such debt, right, or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Equity Interest has accepted the Plan. Any default by the Debtors or their Affiliates with respect to any Claim or Equity Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring, except as otherwise expressly provided in this Plan. Nothing in this paragraph shall impair the police or regulatory powers of the United States of America or any Governmental Unit thereof.

B. *Subordinated Claims*

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

C. *Compromise and Settlement*

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims, Equity Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made on account of such an Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims, Equity Interests and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable and in the best interests of the Debtors, the Estate and Holders of Claims and Equity Interests.

D. Releases

1. *Releases by the Debtors.* Notwithstanding anything contained in this Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by each of the Releasees, including, without limitation: (a) the discharge of claims and all other good and valuable consideration paid pursuant to the Plan or otherwise; and (b) the services of the Debtors' officers and directors employed by the Debtors at any time on or after the Petition Date; each of the Debtors hereby provides a full discharge and release to the Releasees (and each such Releasee so released shall be deemed released and discharged by the Debtors) and their respective properties from any and all Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, suspected or unsuspected, liquidated or unliquidated, contingent or fixed, currently existing as of the Effective Date or thereafter arising, in law, at equity or otherwise, whether for tort, fraud, contract, violations of federal or state securities laws, other applicable laws or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including, without limitation, those that any of the Debtors or Reorganized Debtors would have been legally entitled to assert or that any Holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert (whether individually or collectively) or that any Holder of a Claim or other Entity would have been legally entitled to assert for or on behalf of the Debtors or the Estate and further including those Causes of Action in any way related to the Chapter 11 Cases or the Plan; provided, that the foregoing provisions of this Article X.D.1 shall not operate to waive or release from any Causes of Action expressly set forth in and preserved by the Plan or Plan

Supplement or any defenses thereto; provided, further, that the foregoing provisions of this Article X.D.1 shall not operate to waive or release any Causes of Action (i) accrued by the Debtors or the Reorganized Debtors in the ordinary course of business against Holders of General Unsecured Claims or (ii) set forth in the Acquisition Agreement.

2. *Third Party Release.* Notwithstanding anything contained in this Plan to the contrary, as of the Effective Date, the Releasing Parties hereby provide a full discharge and release (and each Entity so released shall be deemed released by the Releasing Parties) to the Releasees and each of their respective Representatives (each of the foregoing in its individual capacity as such), and their respective property from any and all Claims, Causes of Action and any other debts, obligations, rights, suits, damages, actions, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing as of the Effective Date or thereafter arising, in law, at equity, whether for tort, contract, violations of federal or state securities laws, or otherwise, based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including those in any way related to formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, Disclosure Statement, Acquisition Agreement, the BWOC APA, the Pipeline APA, the Exit Facilities or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan, or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors; provided, however, that the foregoing provisions of this Article X.D.2 shall not operate to waive or release any of the Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or Plan Supplement or any defenses thereto; provided, further, however, that the foregoing provisions of this Article X.D.2 shall not operate to waive or release any Allowed Claims of Releasing Parties treated under the Plan; and provided further, that nothing herein shall be construed to release any Person or Entity from fraud, willful misconduct or criminal misconduct.

3. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases set forth in this Article X.D pursuant to Bankruptcy Rule 9019 and its finding that they are: (a) in exchange for good and valuable consideration, representing a good faith settlement and compromise of the Claims and Causes of Action thereby released; (b) in the best interests of the Debtors and all Holders of Claims; (c) fair, equitable and reasonable; (d) approved after due notice and opportunity for hearing; and (e) a bar to any of the Debtors or the Reorganized Debtors asserting any Claim or Cause of Action thereby released.

E. *Exculpation*

Notwithstanding anything contained in this Plan to the contrary, the Exculpated Parties shall neither have nor incur any liability to any Entity for any and all Claims and Causes of Action arising on or after the Petition Date, including any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, the Disclosure Statement, the Pilot DIP Facility, the Acquisition Agreement, the BWOC APA, the Pipeline APA or any other contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors or the transactions contemplated by the Acquisition Agreement or the Remaining Sales Transactions or confirming or consummating the Plan; provided, that the foregoing provisions of this Article X.E shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted fraud, willful misconduct or criminal misconduct; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its duties pursuant to, or in connection with, the above referenced documents; provided further, that the foregoing provisions of this Article X.E shall not apply to any acts, omissions, Claims, Causes of Action or other obligations expressly set forth in and preserved by the Plan or Plan Supplement or any defenses thereto.

F. *Preservation of Rights of Action*

1. *Vesting of Causes of Action*

(a) Except as otherwise provided in this Plan or Confirmation Order, in accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that the Debtors may hold against any Entity shall vest upon the Effective Date in the Reorganized Debtors.

(b) Except as otherwise provided in this Plan or Confirmation Order, after the Effective Date, the Reorganized Debtors shall have the exclusive right to institute, prosecute, abandon, settle or compromise any Causes of Action and without further order of the Bankruptcy Court, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases.

(c) Causes of Action and any recoveries therefrom shall remain the sole property of the Reorganized Debtors and Holders of Claims shall have no right to any such recovery.

2. *Preservation of All Causes of Action Not Expressly Settled or Released*

(a) Unless a Cause of Action against a Holder or other Entity is expressly waived, relinquished, released, compromised or settled in this Plan or any Final Order (including the Confirmation Order), the Debtors and Reorganized Debtors expressly reserve such Cause of Action for later adjudication by the Debtors or Reorganized Debtors (including, without limitation, Causes of Action not specifically identified or described in the Plan Supplement or elsewhere or of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances which may change or be different from those the Debtors now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after the entry of the Confirmation Order or Effective Date based on the Disclosure Statement, Plan or Confirmation Order, except where such Causes of Action have been released in this Plan (including, without limitation, and for the avoidance of doubt, the releases contained in Article X.D.1) or any other Final Order (including the Confirmation Order). In addition, the Debtors and Reorganized Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors or Reorganized Debtors are a defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

(b) Subject to the immediately preceding paragraph, any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors should assume that any such obligation, transfer, or transaction may be reviewed by the Reorganized Debtors subsequent to the Effective Date and may be the subject of an action after the Effective Date, regardless of whether: (i) such Entity has filed a Proof of Claim against the Debtors in the Chapter 11 Cases; (ii) the Debtors or Reorganized Debtors has objected to any such Entity's Proof of Claim; (iii) any such Entity's Claim was included in the Schedules; (iv) Reorganized Debtors or any other Debtor have objected to any such Entity's scheduled Claim; or (v) any such Entity's scheduled Claim has been identified by the Debtors or Reorganized Debtors as disputed, contingent or unliquidated.

(c) **Due to the Plan's treatment of General Unsecured Claims, the Debtors and Reorganized Debtors waive their rights to institute or prosecute any avoidance actions against Holders of General Unsecured Claims pursuant to section 547 of the Bankruptcy Code.**

G. *Release and Injunction*

1. **From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner against the Releasees, their successors and assigns, and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any Claim,**

demand, liability, obligation, debt, right, Cause of Action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.

2. For the avoidance of doubt, as of the Effective Date, all Entities that have held, currently hold or may hold any claims, causes of action and any other debts, obligations, rights, suits, damages, actions, interests, remedies or liabilities that are released pursuant to the Plan are permanently enjoined from taking any of the following actions against any Releasee or its property on account of such released claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities: (a) commencing or continuing in any manner any action or other proceeding; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (c) creating, perfecting or enforcing any lien or encumbrance; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to any Releasee; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Plan.

3. Except as otherwise expressly provided for in this Plan or in obligations issued pursuant to the Plan, from and after the Effective Date, all Entities shall be precluded from asserting against the Releasees or their successors and assigns and their assets and properties, any other Claims or Equity Interests based upon any documents, instruments, or any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

4. The rights afforded in this Plan and the treatment of all Claims and Equity Interests in this Plan shall be in exchange for and in complete satisfaction of Claims and Equity Interests of any nature whatsoever, including any interest accrued on Claims from and after the Petition Date, against the Debtors or any of their assets or properties. On the Effective Date, all such Claims against, and Equity Interests in, the Debtors shall be satisfied and released in full.

5. Except as otherwise expressly provided for in this Plan or the Confirmation Order or in obligations issued pursuant to the Plan, all Parties and Entities are permanently enjoined, on and after the Effective Date, on account of any Claim or Equity Interest satisfied, released and discharged hereby, from:

(a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors, Reorganized Debtors or their respective successors and assigns and their assets and properties;

(b) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Debtors, Reorganized Debtors or their respective successors and assigns and their assets and properties;

(c) creating, perfecting or enforcing any encumbrance of any kind against the Debtors or the property or estate of the Debtors or Reorganized Debtors or the property of the Reorganized Debtors;

(d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors, Reorganized Debtors or against the respective property or estate of the Debtors, Reorganized Debtors, notwithstanding an indication in a Proof of Claim or Equity Interest or otherwise that such Part or Entity assets, has, or intends to preserve any right of setoff subrogation or recoupment pursuant to section 553 of the Bankruptcy Code or otherwise; or

(e) commencing or continuing in any manner any action or other proceeding of any kind in respect of any Claim or Equity Interest or Cause of Action released or settled hereunder or that is otherwise inconsistent with the Plan.

6. By accepting distributions pursuant to the Plan, each Holder of an Allowed Claim receiving distributions pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in this Article X.

H. **Releases of Liens**

Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, liens, pledges or other security interests against property of the Estate shall be fully released and discharged and all of the right, title and interest of any Holder of such mortgages, deeds of trust, liens, pledges or other security interest shall revert to the Debtors and Reorganized Debtors.

ARTICLE XI

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, pursuant to sections 105(a) and 1142 of the Bankruptcy Code the Bankruptcy Court shall, on and after the Effective Date, retain exclusive jurisdiction over the Chapter 11 Cases and all Entities with respect to all matters related to the Chapter 11 Cases, the Debtors, the Reorganized Debtors and the Plan as is legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Equity Interests;
2. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Effective Date;
3. resolve any matters related to the assumption, assignment or rejection of any executory contract or unexpired lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including those matters related to any amendment to the Plan after the Effective Date pursuant to Article XII.D adding executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed;
4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;
5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving a Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtors after the Effective Date, *provided, however*, that the Reorganized Debtors shall reserve the right to commence actions in all appropriate jurisdictions;
6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan, Plan Supplement or the Disclosure Statement;
7. resolve any cases, controversies, suits or disputes that may arise in connection with the Effective Date, interpretation or enforcement of this Plan or any Entity's obligations incurred in connection with the Plan;
8. issue injunctions, enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Effective Date or enforcement of this Plan, except as otherwise provided in this Plan;
9. enforce Article X.A, X.D.2 and X.E;
10. enforce the Release and Injunction set forth in Article X.G;
11. resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article X, and enter such orders as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;

12. enter and implement such orders as necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;
13. resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement;
14. enter an order and/or the decree contemplated in section 350 of the Bankruptcy Code and Bankruptcy Rule 3022 concluding the Chapter 11 Cases.
15. adjudicate, decide, or resolve any and all matters related to Causes of Action;
16. enforce the terms of the Acquisition Agreement and to decide any claims or disputes which may arise or result from, or be connected with, the Acquisition Agreement, any breach of default thereunder or the transactions contemplated thereby;
17. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
18. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
19. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any Entity's obligations incurred in connection with the Plan;
20. consider any modifications of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
21. determine requests for the payment of Claims and Equity Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;
22. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
23. hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date; and
24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII

MISCELLANEOUS PROVISIONS

A. *Dissolution of Creditors' Committee*

1. The Creditors' Committee shall continue in existence until the Effective Date, and shall continue to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code, and shall perform such other duties as it may have been assigned by the Bankruptcy Court.
2. On the Effective Date, the Creditors' Committee shall be dissolved (except with respect to the resolution of applications for Professional Claims) and its members shall be deemed released of all of their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors, and other agents shall terminate.

B. *Final Fee Applications*

All final requests for payment of Claims of a Professional shall be Filed no later than sixty days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

C. *Payment of Statutory Fees*

All fees payable pursuant to Article 1930 of title 28 of the United States Code after the Effective Date, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid prior to the closing of the Chapter 11 Cases on the earlier of when due or the Effective Date, or as soon thereafter as practicable.

D. *Modification of Plan*

Subject to the limitations contained in this Plan: (1) the Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtors or Reorganized Debtors, as the case may be, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code and Bankruptcy Rule 3019, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

E. *Revocation of Plan*

The Debtors reserve the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to file subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Entity; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission of any sort by the Debtors or any other Entity.

F. *Successors and Assigns*

Except as otherwise provided herein, the rights, benefits and obligations of any Entity named or referred to herein shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

G. *Governing Law*

Except to the extent that the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the state of Delaware, without giving effect to the principles of conflict of laws thereof.

H. *Reservation of Rights*

Except as expressly set forth herein, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. Neither the filing of this Plan, any statement or provision contained herein, nor the taking of any action by a Debtor or any Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) any Debtor with respect to the Holders of Claims or Equity Interests or other parties-in-interest; or (2) any Holder of a Claim or other party-in-interest prior to the Effective Date.

I. *Article 1146 Exemption*

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment.

J. *Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code and any applicable non-bankruptcy law, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, will have no liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

K. *Further Assurances*

The Debtors, Reorganized Debtors, all Holders of Claims receiving distributions hereunder and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan or the Confirmation Order.

L. *Service of Documents*

Any pleading, notice or other document required by the Plan to be served on or delivered to the Debtors shall be sent by first class U.S. mail, postage prepaid as follows:

To the Debtors:

Flying J Inc.
1104 Country Hills Drive
Ogden, Utah 84403
Attn.: Chris Malan, Senior Corporate Counsel

with a copy to:

Young Conaway Stargatt & Taylor, LLP
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19801
Attn.: Pauline K. Morgan

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, IL 60654
Attn.: David Eaton; Adam Paul

To the Creditors' Committee:

Pachulski Stang Ziehl & Jones LLP
919 North Market Street
Wilmington, Delaware 19899-8705

Attn.: James E. O'Neill
Debra Grassgreen

and

Pachulski Stang Ziehl & Jones LLP
780 Third Avenue, 36th Floor
New York, New York 10017-2024
Attn.: Robert J. Feinstein

M. *Filing of Additional Documents*

On or before the Effective Date, the Debtors may file with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

N. *Immediate Binding Effect*

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Equity Interests (irrespective of whether such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in this Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

O. *Term of Injunctions or Stays*

Unless otherwise provided in this Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

P. *Entire Agreement*

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

Q. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from Epiq's website at <http://www.chapter11.epiqsystems.com/flying> or the Bankruptcy Court's web site at www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

R. *Nonseverability of Plan Provisions*

If, prior to the entry of the Confirmation Order on the docket of the Chapter 11 Cases, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full

force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

S. *Conflicts*

Except as set forth in this Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in this Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of this Plan, the Plan shall govern and control.

* * * * *

Wilmington, Delaware

Dated: [_____]

FLYING J INC.

By: _____
Its: [_____] _____

BIG WEST OIL OF CALIFORNIA, LLC

By: _____
Its: [_____] _____

BIG WEST OIL, LLC

By: _____
Its: [_____] _____

LONGHORN PARTNERS PIPELINE, L.P.

By: _____
Its: [_____] _____

LONGHORN PIPELINE HOLDINGS, LLC

By: _____
Its: [_____] _____

LONGHORN PIPELINE INC.

By: _____
Its: [_____] _____

Exhibit A
Plan Supplement