

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

-----	X	
	:	Chapter 11
In re:	:	
	:	Case No. 16-10292 (KJC)
RYCKMAN CREEK RESOURCES, LLC,	:	
et al.,	:	Jointly Administered
	:	
Debtors. ¹	:	Related Docket No. 225
	:	
-----	X	

**NOTICE OF FILING OF FIRST AMENDED DISCLOSURE STATEMENT WITH
RESPECT TO THE JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
RYCKMAN CREEK RESOURCES, LLC AND ITS AFFILIATED DEBTORS
AND DEBTORS IN POSSESSION**

PLEASE TAKE NOTICE that, on April 11, 2016, the debtors and debtors in possession in the above-captioned jointly administered bankruptcy cases (collectively, the “Debtors”) filed the Disclosure Statement With Respect to Joint Chapter 11 Plan Of Reorganization Of Ryckman Creek Resources, LLC And Its Affiliated Debtors And Debtors In Possession [Docket No. 225] (the “Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE that the Debtors have revised the Disclosure Statement to, among other things, provide additional information (the “First Amended Disclosure Statement”), a copy of which is attached hereto as Exhibit 1.

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors’ corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.



PLEASE TAKE FURTHER NOTICE that a blackline version of the First Amended Disclosure Statement is attached hereto as Exhibit 2, which blackline reflects all revisions to the Disclosure Statement since it was filed on April 11, 2016.

Dated: Wilmington, Delaware
June 8, 2016

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Sarah E. Pierce _____

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Counsel for Debtors and Debtors in Possession

EXHIBIT 1

**THIS DISCLOSURE STATEMENT HAS
NOT YET BEEN APPROVED BY THE COURT**

This proposed Disclosure Statement is not a solicitation of acceptance or rejection of the Plan of Reorganization. Acceptances or rejections may not be solicited until the Bankruptcy Court has approved this Disclosure Statement under Bankruptcy Code section 1125. This proposed Disclosure Statement is being submitted for approval only, and has not yet been approved by the Bankruptcy Court.

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:	:	Chapter 11
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	Case No. 16-10292 (KJC)
et al.,	:	
	:	Jointly Administered
Debtors. ¹	:	
	:	
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**FIRST AMENDED DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT
CHAPTER 11 PLAN OF REORGANIZATION OF RYCKMAN CREEK RESOURCES,
LLC AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION**

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Counsel for Debtors and Debtors in Possession

Dated: Wilmington, Delaware
June 8, 2016

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors' corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.

DISCLAIMER

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTORS' PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT ASSUME AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THIS DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE STATEMENT.

EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETIES BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT, AND THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR

WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS UNDER RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, UNLESS SPECIFICALLY INDICATED OTHERWISE.

THE FINANCIAL PROJECTIONS, ATTACHED HERETO AS EXHIBIT B AND DESCRIBED IN THIS DISCLOSURE STATEMENT, HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT TOGETHER WITH THEIR ADVISORS. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, MAY NOT ULTIMATELY BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND MAY NOT HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP").

PLEASE REFER TO ARTICLE VIII OF THIS DISCLOSURE STATEMENT, ENTITLED "PLAN-RELATED RISK FACTORS AND ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN" FOR A DISCUSSION OF CERTAIN FACTORS THAT A CREDITOR VOTING ON THE PLAN SHOULD CONSIDER.

FOR A VOTE ON THE PLAN TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS LLC, THE DEBTORS' CLAIMS, NOTICING, AND SOLICITATION AGENT, NO LATER THAN 4:00 P.M. (PACIFIC), ON [JULY 28], 2016. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE III OF THIS DISCLOSURE STATEMENT AND IN THIS DISCLOSURE STATEMENT ORDER. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL NOT BE COUNTED

UNLESS OTHERWISE DETERMINED BY THE DEBTORS IN THEIR SOLE AND ABSOLUTE DISCRETION.

THE CONFIRMATION HEARING WILL COMMENCE ON AUGUST 2, 2016 AT 10:00 (EASTERN), BEFORE THE HONORABLE KEVIN J. CAREY, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, WILMINGTON, DELAWARE 19801. THE DEBTORS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND THE ENTITIES WHO HAVE FILED AN OBJECTION TO THE PLAN. THE BANKRUPTCY COURT, IN ITS DISCRETION AND BEFORE THE CONFIRMATION HEARING, MAY PUT IN PLACE ADDITIONAL PROCEDURES GOVERNING THE CONFIRMATION HEARING. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS JULY 26, 2016 AT 4:00 P.M. (PACIFIC). ALL PLAN OBJECTIONS MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE DEBTORS AND CERTAIN OTHER PARTIES IN INTEREST IN ACCORDANCE WITH THIS DISCLOSURE STATEMENT ORDER SO THAT THEY ARE RECEIVED ON OR BEFORE THE PLAN OBJECTION DEADLINE.

THE PLAN, THIS DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT AND EXHIBITS, ONCE FILED, AND OTHER DOCUMENTS AND MATERIALS RELATED THERETO MAY BE OBTAINED BY: (I) ACCESSING THE DEBTORS' RESTRUCTURING WEBSITE AT [HTTP://WWW.KCCLCC.NET/RYCKMAN](http://www.kcclcc.net/ryckman), (II) EMAILING RYCKMANINFO@KCCLLC.COM, (III) CALLING THE DEBTORS' RESTRUCTURING HOTLINE AT (877) 634-7178, WITHIN THE UNITED STATES OR CANADA, OR (424) 236-7224, OUTSIDE OF THE UNITED STATES OR CANADA, OR (IV) ACCESSING THE COURT'S WEBSITE AT [HTTP://WWW.DEB.USCOURTS.GOV](http://www.deb.uscourts.gov). COPIES OF SUCH DOCUMENTS AND MATERIALS MAY ALSO BE EXAMINED BETWEEN THE HOURS OF 8:00 AM AND 4:00 PM, MONDAY THROUGH FRIDAY, EXCLUDING FEDERAL HOLIDAYS, AT THE OFFICE OF THE CLERK OF THE COURT, 824 NORTH MARKET STREET, 3RD FLOOR, WILMINGTON, DELAWARE 19801.

EXECUTIVE SUMMARY

On February 2, 2016 (the “Petition Date”), Ryckman Creek Resources, LLC (“Ryckman”) and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors” or the “Company”) each commenced a case in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). As described further below, since the Petition Date, the Debtors have continued to operate their business and manage their properties as debtors and debtors in possession under sections 1107(a) and 1108 of title 11 of the United States Code (the “Bankruptcy Code”).

The Debtors’ proposal for the reorganization of their business is set forth in the Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its Affiliated Debtors and Debtors in Possession, a copy of which is attached hereto as Exhibit A (the “Plan”).² As described below, the Plan is supported by the Supporting Creditors under the Plan Support Agreement.

This Disclosure Statement contains, among other things, descriptions and summaries of provisions of the Debtors’ proposed Plan, as attached hereto. Certain provisions of the Plan, and thus the description and summaries contained herein, may be the subject of continuing negotiations among the Debtors and various parties. Accordingly, the Debtors reserve the right to modify the Plan consistent with Bankruptcy Code section 1127, Rule 3019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Article XIII of the Plan.

The Plan provides for an equitable distribution of recoveries to the Debtors’ Creditors, preserves the value of the Debtors’ business as a going concern, and preserves the jobs of employees. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation or attempts by another party in interest to file a plan, could result in significant delays, litigation and costs, the loss of jobs by the Debtors’ employees, and/or impaired recoveries. Moreover, the Debtors believe that the Debtors’ Creditors will receive greater and earlier recoveries under the Plan than those that would be achieved in liquidation or under an alternative plan. **For these reasons, the Debtors urge you to return your ballot accepting the Plan.**

² All capitalized terms not otherwise defined shall have the meanings ascribed to them in the Plan.

Plan Overview and Summary of Distributions

The following summary is a general overview only and is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and financial statements and notes thereto appearing elsewhere in this Disclosure Statement with respect to the Plan and the Plan itself.

A. Overview of the Plan

In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either Unencumbered Assets or Contingent Value Rights.

In particular, the Plan provides for the following key terms and mechanics:

- **Exit Facility**: On the Effective Date, the DIP Facility shall be converted into, and the Reorganized Debtors, as borrowers, will enter into, the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors. Confirmation of the Plan shall be deemed approval of the Exit Facility and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such Exit Facility.
- **Issuance of the New Notes**: On or after the Effective Date, the Reorganized Debtors shall issue New Notes which (i) shall be secured by a lien on substantially all of the assets of the Reorganized Debtors, which lien will be junior in priority to the lien securing the Exit Facility, (ii) shall have the various tranches and terms set forth in the Plan and the Plan Supplement, (iii) shall be subject to the New AAL, (iv) shall be subject to an unlimited guaranty by Reorganized Holdings that is secured by a lien on all assets of Reorganized Holdings, and (v) shall contain the performance covenants set forth on Exhibit 1 of the Plan.
- **Issuance of the New Holdings Equity**: On the Effective Date, Reorganized Holdings shall authorize and issue New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units.
- **Issuance of Contingent Value Rights**. If the General Unsecured Creditors vote, as a Class, to accept the Plan, the Reorganized Debtors shall issue to such General Unsecured Creditors certain Contingent Value Rights, which shall enable the holders thereof to receive a percentage of the proceeds of the Reorganized

Debtors pursuant to the Upside Sharing Grid after achievement of the CVR Threshold.

- Cancellation of Prepetition Credit Agreement: On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to (i) all notes, instruments, certificates, and other documents evidencing the Credit Facilities (ii) the Old AAL, (iii) the Disbursement Agreement, and (iv) Interests, and the obligations in any way related thereto (including the foregoing items (i), (ii), (iii), and (iv)).

The Reorganized Debtors' capital structure at emergence will consist of the following:

Debt	
Exit Facility	Up to \$35 million
Senior New Notes	\$68.2 million
Junior New Notes/Hybrid Notes	\$92.7 million
Equity	
New Holdings Equity	\$4.1 million

Following consummation of the Plan, the Debtors' balance sheet will be deleveraged by more than \$250 million. At emergence, the Debtors anticipate that they will have liquidity of approximately \$11 million due to a combination of Cash on hand and availability under the Exit Facility.

B. Summary of Treatment of Claims and Interests under the Plan³

The Plan contains separate Classes for Holders of Claims and Interests. Under Bankruptcy Code section 1122, set forth below is a designation of classes of Claims and Interests. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date. In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims, DIP Facility Claims, Professional Claims, and Priority Tax Claims have not been classified. The treatment of all such unclassified claims is set forth in Article II of the Plan.

³ The Debtors are currently in the process of reviewing filed Proofs of Claim and finalizing the Valuation Analysis. The Debtors will update and/or supply the estimated claim amounts and recovery percentages in the below table prior to the Disclosure Statement Hearing.

The table below summarizes the classification and treatment of Claims and Interests under the Plan. These summaries are qualified in their entirety by reference to the provisions of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article VI below. The tables below also set forth the estimated percentage recovery for Holders of Claims and Interests in each Class, and the Debtors' estimates of the amount of Claims that will ultimately become Allowed in each Class based upon (i) review by the Debtors of their books and records, (ii) all Claims scheduled by the Debtors, and (iii) consideration of the provisions of the Plan that affect the allowance of certain Claims.⁴ The aggregate Claim amounts in each Class and the estimated percentage recoveries in the table below are set forth for the Debtors on a consolidated basis.

Class Description ⁵	Proposed Treatment
Unclassified Claims	
Administrative Claims Estimated Recovery: 100% Estimated Amount: \$700,000	Administrative Claims consist of the Administrative Claims of each of the Debtors. Except to the extent that the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Administrative Claim agree to a less favorable treatment, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim either (a) on the later of (x) the Initial Distribution Date; or (y) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when an Administrative Claim becomes an Allowed Administrative Claim or (ii) 30 days after the date when an Administrative Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Administrative Claim; or (b) if the Allowed Administrative Claim is an Ordinary Course

⁴ Although the Debtors believe that the estimated recoveries are reasonable, there is no assurance that the actual amounts of Allowed Claims in each Class will not materially exceed the estimated aggregate amounts shown in the table below. The actual recoveries under the Plan will depend upon a variety of factors, including: (i) the reconciliation of asserted claims; (ii) cure amounts; (iii) whether, and in what amount and with what priority, contingent Claims against the Debtors become non-contingent and fixed; (iv) whether, and to what extent, Disputed Claims are resolved in favor of the Debtors. Accordingly, no representation can be or is being made with respect to whether each estimated recovery amount shown in the table above will be realized; and (v) any and all other factors set forth in Article VIII "Plan-Related Risk Factors."

⁵ The Debtors are currently in the process of reviewing filed Proofs of Claim and finalizing the Valuation Analysis. In addition, the Creditors' Committee is engaged in an analysis of the Unencumbered Assets. The Debtors will update and/or supply the estimated Claim amounts and recovery percentages in the below table prior to the Disclosure Statement Hearing.

Class Description ⁵	Proposed Treatment
	<p>Administrative Claim, in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; provided, however, that other than Holders of (i) a Professional Claim, (ii) an Administrative Claim Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iii) an Ordinary Course Administrative Claim that is not Disputed, the Holder of any Administrative Claim shall have filed a Proof of Claim form no later than the Administrative Claims Bar Date and such Claim shall have become an Allowed Claim.</p>
<p>DIP Facility Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$24.5 million</p>	<p>DIP Facility Claims consist of Claims arising under, derived from, based upon, or as a result of the DIP Facility.</p> <p>On the Effective Date, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every DIP Facility Claim, the DIP Facility Claims shall convert into the Exit Facility pursuant to the terms of the Exit Facility Credit Agreement.</p>
<p>Priority Tax Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$1.5 million</p>	<p>Priority Tax Claims consist of the Priority Tax Claims of each of the Debtors.</p> <p>On the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when a Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) 30 days after the date when a Priority Tax Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Priority Tax Claim, except to the extent that the Debtors (or Reorganized Debtors) and a Holder of an Allowed Priority Tax Claim agree to a less favorable treatment, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim: (x) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (y) Cash in an amount agreed to by the Debtors (or the Reorganized Debtors) and such Holder, <u>provided, however</u>, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or</p>

Class Description ⁵	Proposed Treatment
	(z) at the sole option of the Reorganized Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to Bankruptcy Code section 1129(a)(9)(C). To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.
Classified Claims	
<p>Class 1: Other Secured Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$100,000⁶</p>	<p>Class 1 consists of the Other Secured Claims.</p> <p>Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 1 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 1 Claim, each such Holder of an Allowed Class 1 Claim shall, at the election of the Debtors or the Reorganized Debtors (with the approval of the Required Consenting Parties), as applicable:</p> <p>(i) have its Allowed Class 1 Claim Reinstated and rendered Unimpaired on the Effective Date in accordance with Bankruptcy Code section 1124(2), notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Class 1 Claim to demand or receive payment of such Allowed Class 1 Claim prior to the stated maturity of such Allowed Class 1 Claim from and after the occurrence of a default;</p> <p>(ii) be paid in full in Cash or Cash equivalents in an amount equal to such Allowed Class 1 Claim, including postpetition interest, if any, on such Allowed Class 1 Claim required to be paid pursuant to Bankruptcy Code section 506, on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1</p>

⁶ This amount assumes that purported contractors' and oil & gas liens asserted by certain parties will be reclassified as general unsecured claims. See discussion *infra* Article VIII.D.

Class Description ⁵	Proposed Treatment
	<p>Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim; or</p> <p>(iii) receive the collateral securing its Allowed Class 1 Claim free and clear of Liens, Claims, and encumbrances on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim, provided that such collateral, as of the day prior to the Effective Date, was property of the Estates.</p>
<p>Class 2: Other Priority Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$0</p>	<p>Class 2 consists of the Other Priority Claims.</p> <p>Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 2 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 2 Claim, each such Holder of an Allowed Class 2 Claim shall be paid in full in Cash on the first Periodic Distribution Date occurring after the later of (i) the Effective Date and (ii) 30 days after the date when a Class 2 Claim becomes an Allowed Claim; <u>provided, however</u>, that Other Priority Claims that arise in the ordinary course of the Debtors' business and which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business.</p>
<p>Class 3: Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$ 164.8 million</p>	<p>Class 3 consists of the Prepetition Credit Agreement Secured Claims and all Hedging Agreement Secured Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 3 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 3 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 Claim shall receive on account of such Class 3 Claim (i) the New Notes and (ii) the New Holdings Equity, which</p>

Class Description ⁵	Proposed Treatment
	shall be provided in accordance with the treatment set forth for the Class 3 subclasses.
Subclass 3-A: Secondary Tranche A Completion Loan Secured Claims Estimated Recovery: 100% Estimated Amount: \$5.3 million	Subclass 3-A consists of the Secondary Tranche A Completion Loan Secured Claims. Holders of Allowed Secured Claims on account of Secondary Tranche A Completion Loans shall receive Series A-1 Senior Notes in an amount equal to the original principal amount of the Secondary Tranche A Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.
Subclass 3-B: Tertiary Tranche B Completion Loan Secured Claims Estimated Recovery: 100% Estimated Amount: \$26.6 million	Subclass 3-B consists of the Tertiary Tranche B Completion Loan Secured Claims. Holders of Allowed Secured Claims on account of Tertiary Tranche B Completion Loans shall receive the Series B Senior Notes in an amount equal to the original principal amount of the Tertiary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.
Subclass 3-C: Initial Tranche A Completion Loan Secured Claims of DIP Lenders Estimated Recovery: 100% Estimated Amount: \$36.2 million	Subclass 3-C consists of the Initial Tranche A Completion Loan Secured Claims of DIP Lenders. Holders of Allowed Secured Claims on account of Initial Tranche A Completion Loans who are DIP Lenders shall receive Series A-2 Senior Notes in an amount equal to the principal amount of DIP Loans provided by such Holder, up to a maximum amount of Allowed Secured Claims on account of Initial Tranche A Completion Loans.
Subclass 3-D: Other Initial Tranche A Completion Loan Secured Claims Estimated Recovery: 100% Estimated Amount: \$20.9 million	Subclass 3-D consists of the Other Initial Tranche A Completion Loan Secured Claims. After giving effect to distributions to Subclass 3-C, Holders of Allowed Secured Claims on account of any remaining principal of, and accrued unpaid interest through the Effective Date of the Plan on, Initial Tranche A Completion Loans shall receive Series A Junior Notes in an amount equal to such principal and accrued interest amounts.
Subclass 3-E: Secondary Tranche B Completion Loan Secured Claims Estimated Recovery: 100% Estimated Amount: \$16.7 million	Subclass 3-E consists of the Secondary Tranche B Completion Loan Secured Claims. Holders of Allowed Secured Claims on account of Secondary Tranche B Completion Loans shall receive

Class Description ⁵	Proposed Treatment
	the Series B Junior Notes in an amount equal to the original principal amount of the Secondary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.
<p>Subclass 3-F: Initial Tranche B Completion Loan Principal Secured Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$55 million</p>	<p>Subclass 3-F consists of the Initial Tranche B Completion Loan Principal Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Initial Tranche B Completion Loan Principal shall receive the Hybrid New Notes in an amount equal to the original principal amount of the Initial Tranche B Completion Loans.</p>
<p>Subclass 3-G: Initial Tranche B Converted Interest Secured Claims</p> <p>Estimated Recovery: 0-100% Estimated Amount: \$200,000</p>	<p>Subclass 3-G consists of the Initial Tranche B Converted Interest Secured Claims.</p> <p>Holders of Allowed Secured Claims for Initial Tranche B Converted Interest shall receive New Class B Preferred Units and New Class B Common Units in exchange for the Initial Tranche B Converted Interest through the Effective Date of the Plan.</p>
<p>Subclass 3-H: Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders</p> <p>Estimated Recovery: 0-100% Estimated Amount: \$2.2 million</p>	<p>Subclass 3-H consists of the Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are DIP Lenders and Tranche A Completion Loan Lenders shall receive (i) Series A-1 Preferred Units on a Pro Rata basis based on the amount of DIP Facility Claims of each Holder, (ii) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-I Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (iii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iv) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement</p>

Class Description ⁵	Proposed Treatment
	<p>Secured Claims, as applicable, held by each Holder.</p> <p>The Series A-1 Preferred Units received by such Holders shall first reduce the amount of Series A-3 Preferred Units received by such Holder before reducing the amount of Series A-2 Preferred Units received by such Holder.</p>
<p>Subclass 3-I: Term Loan Secured Claims of Tranche A Completion Loan Lenders</p> <p>Estimated Recovery: 0-100% Estimated Amount: \$1.1 million</p>	<p>Subclass 3-I consists of the Term Loan Secured Claims of Tranche A Completion Loan Lenders.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are Tranche A Completion Loan Lenders but are not DIP Lenders shall receive (i) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-H Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction (with respect to Holders in Subclass 3-H) for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (ii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.</p>
<p>Subclass 3-J: Other Term Loan Secured Claims and Hedging Agreement Claims</p> <p>Estimated Recovery: 0-100% Estimated Amount: \$600,000 million</p>	<p>Subclass 3-J consists of the Other Term Loan Secured Claims and Hedging Agreement Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are neither DIP Lenders nor Tranche A Completion Loan Lenders and Holders of Allowed Hedging Agreement Secured Claims shall receive (i) Series A-3 Preferred Units on a Pro Rata basis with Subclasses 3-H and 3-I based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder after reduction, first, (with respect to Holders in Subclasses 3-H and 3-I) for the amount of Tranche A Completion Loan Principal</p>

Class Description ⁵	Proposed Treatment
	<p>Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder and (ii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-I Claims based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder.</p>
<p>Class 4: Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims</p> <p>Estimated Recovery: 0% Estimated Amount: \$181.6 million</p>	<p>Class 4 consists of all Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 4 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 4 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets; provided, however, that in the event that Class 5 Votes as a Class to accept the Plan, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.</p>
<p>Class 5: General Unsecured Claims</p> <p>Estimated Recovery: 0-47% Estimated Amount: \$61.7 million</p>	<p>Class 5 consists of all General Unsecured Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 5 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata Share of the Contingent Value Rights, and shall be deemed to have waived any right to recover from the proceeds of the Unencumbered Assets, or (ii) in the event that Class 5 Votes as a class to reject the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets.</p>
<p>Class 6: Intercompany Claims</p> <p>Estimated Recovery: 0%</p>	<p>Class 6 consists of all Intercompany Claims.</p> <p>On the Effective Date, all net Allowed Class 6 Claims</p>

Class Description ⁵	Proposed Treatment
Estimated Amount: \$1.9 million	(taking into account any setoffs of Intercompany Claims) shall be released, waived, and discharged without payment or distribution.
Class 7: Subordinated Claims Estimated Recovery: 0% Estimated Amount: \$0	Class 7 consists of all Subordinated Claims. Holders of Allowed Class 7 Claims shall not receive any distributions on account of such Allowed Class 7 Claims, and on the Effective Date all Allowed Class 7 Claims shall be released, waived, and discharged.
Class 8: Interests Estimated Recovery: 0% Estimated Amount: \$0	Class 8 consists of all Interests. On the Effective Date, Allowed Class 8 Interests shall be deemed automatically cancelled, released, and extinguished without further action by the Debtors or the Reorganized Debtors and the obligations of the Debtors and the Reorganized Debtors thereunder shall be discharged and the Holders of Allowed Class 8 Interests shall not receive or retain any property or interests on account of such Class 8 Interest.

THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR THE HOLDERS OF CLAIMS. THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

A VOTE TO ACCEPT THE PLAN OR A DECISION TO ABSTAIN FROM VOTING ON THE PLAN CONSTITUTES YOUR CONSENT TO THE RELEASE SET FORTH IN ARTICLE X OF THE PLAN OF THE PARTIES SPECIFIED IN ARTICLE X OF THE PLAN UNLESS YOU OPT OUT OF SUCH RELEASE IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN YOUR BALLOT.

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EXHIBITS

- Exhibit A** Joint Chapter 11 Plan of Reorganization Proposed by Ryckman Creek Resources, LLC and its Affiliated Debtors and Debtors in Possession
- Exhibit B** Financial Projections
- Exhibit C** Liquidation Analysis
- Exhibit D** Corporate Structure Chart
- Exhibit E** Disclosure Statement Approval Order

ARTICLE I.

INTRODUCTION

The Company was formed on September 8, 2009 to engage in the acquisition, development, marketing, and operation of an underground natural gas storage facility (the “Ryckman Creek Facility”). The Ryckman Creek Facility is a depleted crude oil and natural gas reservoir located approximately 25 miles southwest of the Opal Hub in Uinta County, Wyoming.⁷ The Company began development of the reservoir into a natural gas storage facility in 2011. Currently, the Ryckman Creek Facility has approximately 42 billion cubic feet (Bcf) of working natural gas storage capacity and is permitted for 53 Bcf of storage capacity.

On February 2, 2016 the Debtors filed voluntary petitions for relief under the Bankruptcy Code and commenced the Chapter 11 Cases. The Debtors’ cases are pending in the Bankruptcy Court and are jointly administered under Case No. 16-10292 (KJC). No trustee has been appointed in the Chapter 11 Cases. On February 12, 2016, the Office of the United States Trustee for the District of Delaware (the “United States Trustee”) appointed an official committee of unsecured Creditors (the “Creditors’ Committee”) under Bankruptcy Code section 1102.

The Debtors’ proposal for reorganization of their business is set forth in the Plan, a copy of which is attached hereto as Exhibit A.

This Disclosure Statement sets forth certain information regarding the Debtors’ prepetition operations and financial history, their reasons for seeking protection under chapter 11, and significant events that have occurred during the Chapter 11 Cases. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the requirements for confirmation of the Plan and the voting procedures that Holders of Claims entitled to vote on the Plan must follow for their votes to be counted. All capitalized terms used and not otherwise defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

FOR A DESCRIPTION OF THE PLAN AND THE VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AND INTERESTS, PLEASE SEE ARTICLES VIII AND X HEREIN.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE CHAPTER 11 CASES, AND CERTAIN FINANCIAL INFORMATION. TO THE EXTENT ANY PORTION OF THIS DISCLOSURE STATEMENT CONFLICTS WITH THE PLAN, THE PLAN SHALL GOVERN. ALTHOUGH THE DEBTORS BELIEVE THAT THE SUMMARIES CONTAINED HEREIN ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE

⁷ The Ryckman Creek Facility includes the former Canyon Creek Compression Facility purchased by the Debtors from Kinder Morgan.

QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE DOCUMENTS OR STATUTORY PROVISIONS THEY ARE SUMMARIZING. THE DEBTORS' MANAGEMENT HAS PROVIDED THE FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

ARTICLE II.

OVERVIEW OF THE PLAN

A. Summary of the Plan.

The Plan is supported by the Supporting Creditors under the Plan Support Agreement. In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either unencumbered assets or contingent value rights that will allow for payment to unsecured Creditors under the Debtors' secured Creditors are paid.

In particular, the Plan provides for the following key terms and mechanics:⁸

- Exit Facility: On the Effective Date, the DIP Facility shall be converted into, and the Reorganized Debtors, as borrowers, will enter into, the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors. Confirmation of the Plan shall be deemed approval of the Exit Facility and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such Exit Facility.
- Issuance of the New Notes: On or after the Effective Date, the Reorganized Debtors shall issue New Notes which (i) shall be secured by a lien on substantially all of the assets of the Reorganized Debtors, which lien will be junior in priority to the lien securing the Exit Facility, (ii) shall have the various tranches and terms set forth in the Plan and the Plan Supplement, (iii) shall be subject to the New AAL, (iv) shall be subject to an unlimited guaranty by Reorganized Holdings that is secured by a lien on all assets of Reorganized Holdings, and (v) shall contain the performance covenants set forth on Exhibit 1 of the Plan.

⁸ Any summaries or descriptions of the Plan are qualified in their entirety by reference to the provisions of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article VI below.

- Issuance of the New Holdings Equity: On the Effective Date, Reorganized Holdings shall authorize and issue New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units.
- Issuance of Contingent Value Rights. If the General Unsecured Creditors vote, as a Class, to accept the Plan, the Reorganized Debtors shall issue to such General Unsecured Creditors certain Contingent Value Rights, which shall enable the holders thereof to receive a percentage of the proceeds of the Reorganized Debtors pursuant to the Upside Sharing Grid after achievement of the CVR Threshold.
- Cancellation of Prepetition Credit Agreement: On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to (i) all notes, instruments, certificates, and other documents evidencing the Credit Facilities (ii) the Old AAL, (iii) the Disbursement Agreement, and (iv) Interests, and the obligations in any way related thereto (including the foregoing items (i), (ii), (iii), and (iv)).

The Reorganized Debtors' capital structure at emergence will consist of the following:

Debt	
Exit Facility	Up to \$35 million
Senior New Notes	\$68.2 million
Junior New Notes/Hybrid Notes	\$92.7 million
Equity	
New Holdings Equity	\$4.1 million

Following consummation of the Plan, the Debtors' balance sheet will be deleveraged by more than \$250 million. At emergence, the Debtors anticipate that they will have liquidity of approximately \$11 million due to a combination of Cash on hand and availability under the Exit Facility.

B. Unclassified Claims

In accordance with Bankruptcy Code section 1123(a)(1), the Plan does not classify Administrative Claims, DIP Facility Claims, Professional Claims, and Priority Tax Claims. These Claims are therefore excluded from the Classes of Claims set forth in Article II of the Plan. The projected percentage of recoveries provided below are projected as of April, 2016.

Claim	Plan Treatment	Projected Recovery Under the Plan
DIP Facility Claims	Converted to Exit Facility	100%
Administrative Claims	Paid in full	100%
Priority Tax Claims	Paid in full	100%

C. Treatment of Claims and Interests Under the Plan

The table below summarizes the classification, treatment, and estimated percentage recoveries of the Claims and Interests under the Plan. Estimated percentage recoveries have been calculated based upon a number of assumptions. For certain Classes of Claims, the actual percentage recovery is contingent upon a number of factors.

Class	Claim or Interest	Status	Estimated % Recovery Under the Plan
1	Other Secured Claims	Unimpaired	100%
2	Other Priority Claims	Unimpaired	100%
3	Prepetition Credit Agreement Secured Claims	Impaired	0-100%
4	Prepetition Credit Agreement Deficiency Claims	Impaired	0%
5	General Unsecured Claims	Impaired	0-47%
6	Intercompany Claims	Impaired	0%
7	Subordinated Debt Claims	Impaired	0%
8	Interests	Impaired	0%

D. Liquidation and Valuation Analyses

The Debtors have prepared a liquidation analysis, attached hereto as Exhibit C (the “Liquidation Analysis”), and a valuation analysis (the “Valuation Analysis”), described more fully in Article VII.D. below, to assist Holders of Claims and Interests in evaluating the Plan. The Liquidation Analysis compares the Creditor recoveries to be realized if the Debtors were to be liquidated in a hypothetical case under chapter 7 of the Bankruptcy Code with the distributions to Holders of Allowed Claims and Interests under the Plan. The analysis is based upon the estimated value of the Debtors’ assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, both analyses are subject to potentially material changes including with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtors could vary materially from the estimates provided in the Liquidation Analysis, and the actual total enterprise value of the Reorganized Debtors could vary materially from the implied valuation contained in the Valuation Analysis.

The Debtors believe that the Plan provides the same or a greater recovery for Holders of Allowed Claims and Interests as would be achieved in a liquidation under chapter 7 of the Bankruptcy Code because of, among other things, the additional Administrative Claims

generated by conversion to a chapter 7 case, the administrative costs of liquidation and associated delays in connection with a chapter 7 liquidation, the negative impact on the market for the Debtors' assets caused by attempting to sell a large number of assets in a short time frame, and the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets, each of which likely would diminish the value of the Debtors' assets available for distributions.

ARTICLE III.

VOTING PROCEDURES

A. Voting Status of Each Class

Under the Bankruptcy Code, Creditors are entitled to vote if their contractual rights are Impaired by the Plan and they are receiving a distribution under the Plan. Creditors are not entitled to vote if their contractual rights are Unimpaired by the Plan or if they will receive no distribution of property under the Plan. The following table sets forth which Classes of Claims will or will not be entitled to vote on the Plan:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept
2	Other Priority Claims	Unimpaired	Deemed to Accept
3	Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims	Impaired	Entitled to Vote
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Subordinated Debt Claims	Impaired	Deemed to Reject
8	Interests	Impaired	Deemed to Reject

B. Classes Entitled to Vote

The following Classes are the only Classes entitled to vote to accept or reject the Plan:

Class	Claim or Interest	Status
3-A	Secondary Tranche A Completion Loan Secured Claims	Impaired
3-B	Tertiary Tranche B Completion Loan Secured Claims	Impaired
3-C	Initial Tranche A Completion Loan Secured Claims of DIP Lenders	Impaired

3-D	Other Initial Tranche A Completion Loan Secured Claims	Impaired
3-E	Secondary Tranche B Completion Loan Secured Claims	Impaired
3-F	Initial Tranche B Completion Loan Principal Secured Claims	Impaired
3-G	Initial Tranche B Completion Loan Interest Secured Claims	Impaired
3-H	Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders	Impaired
3-I	Term Loan Secured Claims of Tranche A Completion Loan Lenders	Impaired
3-J	Other Term Loan Secured Claims and Hedging Agreement Secured Claims	Impaired
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired
5	General Unsecured Claims	Impaired

If your Claim or Interest is not included in any of these Classes, you are not entitled to vote and you will not receive a Solicitation Package.

Under the Bankruptcy Code, acceptance of a plan of reorganization by a Class of Claims is determined by calculating the number and the amount of Claims voting to accept, based on the actual total Allowed Claims voting on the Plan. Acceptance by a Class requires more than one-half of the number of total Allowed Claims in the Class to vote in favor of the Plan and at least two-thirds in dollar amount of the total Allowed Claims in the Class to vote in favor of the Plan.

C. Voting Procedures

The Debtors retained Kurtzman Carson Consultants LLC (“KCC” or the “Claims, Noticing, and Solicitation Agent”) to, among other things, act as the Debtors’ agent in connection with the solicitation of votes to accept or reject the Plan.

The Voting Record Date (as defined in the Disclosure Statement Motion)⁹ is June 23, 2016. The Voting Record Date is the date for determining (i) which Holders of Claims are

⁹ As used herein, the “Disclosure Statement Motion” refers to the Motion of the Debtors for Entry of an Order Approving (I) Disclosure Statement and Notice of the Disclosure Statement Hearing; (II) Plan Support Agreement, (III) Hearing Date to Consider confirmation of the Plan and Procedures for Filing Objections to the Plan, (IV) Solicitation Agent and Deadlines Related to Solicitation and Confirmation, (V) Solicitation Procedures for Confirmation of the Plan, and (VI) Voting and General Tabulation Procedures [Docket No. 235], including the solicitation timeline as amended by the Notice of Filing of Revised Solicitation Timeline with
(cont’d)

entitled to vote to accept or reject the Plan and receive the Solicitation Package in accordance with the Solicitation Procedures (as defined in the Disclosure Statement Motion) and (ii) whether Claims have been properly assigned or transferred to an assignee under Bankruptcy Rule 3001(e) such that the assignee can vote as the Holder of a Claim. The Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' Creditors and other parties in interest.

Under the Plan, Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. In order for the Holder of a Claim in the Voting Classes to have such Holder's Ballot (as defined in the Solicitation Motion) counted as a vote to accept or reject the Plan, such Holder's Ballot, must be properly completed, executed, and delivered in accordance with the instructions included in the Ballot by: (i) first class mail; (ii) courier; or (iii) personal delivery to the Claims, Noticing, and Solicitation Agent, so that such Holder's Ballot is **actually received** by the Claims, Noticing, and Solicitation Agent prior to **4:00 p.m. (Pacific) on [July 28], 2016** (the "Voting Deadline"). It is important that the Holder of a Claim in the Voting Classes follow the specific instructions provided on such Holder's Ballot and the accompanying instructions.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE IN THEIR SOLE AND ABSOLUTE DISCRETION.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST.

IT IS IMPORTANT TO FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON EACH BALLOT, AS APPROPRIATE, WHEN SUBMITTING A VOTE.

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT, OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS DISCLOSURE STATEMENT, THE PLAN, OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE CLAIMS, NOTICING, AND SOLICITATION AGENT, KCC, AT (877) 634-7178, WITHIN THE UNITED STATES OR CANADA, OR (424) 236-

(cont'd from previous page)

Respect to the Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its Affiliated Debtors and Debtors in Possession [Docket No. 278] (the "Revised Solicitation Timeline").

7224, OUTSIDE OF THE UNITED STATES OR CANADA, OR AT RYCKMANINFO@KCCLLC.COM.

ARTICLE IV.

GENERAL INFORMATION

A. Overview of the Company's Business

Ryckman was formed in 2009, and operates as a Delaware limited liability company. The Debtors' headquarters is located in Houston, Texas. The Debtors engage in the acquisition, development, marketing, and operation of the Ryckman Creek Facility. The Ryckman Creek Facility is a depleted crude oil and natural gas reservoir located approximately 25 miles southwest of the Opal Hub in Uinta County, Wyoming. The Company began development of the reservoir into a natural gas storage facility in 2011. Currently, the Ryckman Creek Facility has approximately 42 Bcf of working natural gas storage capacity and is permitted for 53 Bcf of storage capacity.

The Ryckman Creek Facility interconnects with five major interstate gas pipelines—the Questar, Ruby, Kern River, Northwest, and Overthrust—and is the only available gas storage facility on two of the pipelines, the Ruby and Kern River. In addition, the Debtors have the ability to act as a receipt and delivery point for an additional four major pipelines—Cheyenne Plains, Colorado Interstate Gas, Wyoming Interstate Company, and Rocky Mountain Express. The Ryckman Creek Facility's favorable location and direct connections to key pipelines provides multiple outlets for gas and enhanced optionality to the Debtors' customers. In particular, it allows for distribution to several key consumer markets, including California, Nevada, the northern Rockies, the Pacific Northwest, and the Midwest.

The Ryckman Creek Facility is repurposed from a partially-depleted oil and gas reservoir, which offers several advantages – the underground formation is geologically capable of holding natural gas, and the extraction and distribution equipment previously used in the extraction of oil or gas may be used as part of the storage facility's operations.

The Debtors' business is comprised of three primary components – storage of customer natural gas, proprietary trading of inventory gas, and production of liquid hydrocarbons residing in the reservoir.

1. Natural Gas Storage

Once produced and transported, natural gas is not always immediately needed, due in part to seasonal fluctuations in demand. Storage of natural gas ensures that excess supply can be stored when demand is lower – generally, in the summer months – and is available when demand is higher – generally, in the winter months. The storage of natural gas also serves as insurance against any unforeseen events, such as accidents or natural disasters, that may affect the production or delivery of natural gas. In addition, natural gas storage facilities provide commercial and economic benefits to users of such storage, as gas can be stored when prices are low and can be withdrawn and sold when prices are high. Accordingly, the Company has entered into and will continue to enter into, various contracts with customers – primarily

exploration and production companies, natural gas utility operators, and various financial institutions engaged in the trading of commodities. Under these contracts, customers may inject natural gas in the Ryckman Creek Facility when supply exceeds their needs or when customers otherwise wish to maintain a reserve of natural gas and withdraw such gas on demand or as otherwise specified in the contract. Natural gas storage is the Company's largest business segment, currently representing nearly all of the Debtors' projected storage volumes and revenues.

2. Proprietary Trading

To enable the Company to capitalize on market fluctuations in the price of natural gas, as well as satisfy customer demand, and pipeline quality specifications, the Company intends to purchase natural gas from gas producers and store such gas for later sale to third parties. Currently, the Debtors own approximately 4.1 Bcf of natural gas that is used as pad gas.¹⁰ The Debtors, however, believe that as additional customers engage in storage operations at the Ryckman Creek Facility, the Debtors will be able to trade their 4.1 Bcf of natural gas as propriety gas if and when market conditions prove favorable.

3. Liquid Hydrocarbon Production

In addition to storage of natural gas and proprietary trading, a projected small part of the Company's business will involve the production of liquid hydrocarbons from the depleted reservoir.

B. Prepetition Corporate and Capital Structure

1. Corporate Structure

The Debtors in the Chapter 11 Cases are Ryckman, Ryckman Creek Resources Holding Company LLC ("Holdings"), Peregrine Rocky Mountains LLC ("Rocky Mountains"), and Peregrine Midstream Partners LLC ("Peregrine Midstream"). Ryckman, a Delaware limited liability company, owns the Ryckman Creek Facility. Holdings, also a Delaware limited liability company, is the holding company for Ryckman and owns 90,000 Class A units of Ryckman. Bear River Acquisition Company Inc. ("Bear River") owns 10,000 Class A units of Ryckman as well as approximately 31,879 Preferred Units (defined below) of Ryckman. Ryckman also issued 10,000 Class B units, which are held by various individuals and entities associated with Nielson Energy Group, LLC (the "Nielson Equity Holders"). Entities in the ownership structure above Holdings are, respectively, Rocky Mountains, Peregrine Midstream, and Bear River.

The Debtors have approximately 35 employees. Of those, 30 are employed by Ryckman and the other five are employed by Peregrine Midstream but also provide services to Ryckman pursuant to a services agreement.

¹⁰ Pad gas, also known as permanent gas, refers to gas used to fill empty space in the reservoir to ensure that there is an adequate level of gas to maintain the latent pressure for the operability of the reservoir ("Pad Gas").

2. Capital Structure

The Company's original capital structure at formation and for much of the construction phase of the project was fairly straightforward, consisting of \$120,000,000 in term loan debt, a \$40,000,000 revolving credit facility, and equity.¹¹ This capital structure was anticipated to be sufficient to bring the project into operation. However, various construction setbacks and other issues, as described in more detail below, increased the cost of the project. Initially, in May of 2014, Bear River provided an additional \$50,000,000 advance loan as subordinated debt. When this proved insufficient, Ryckman worked with its existing lenders and equity sponsor to obtain additional liquidity. The layered capital structure described below is the result of this additional funding.

As of the Petition Date, Ryckman had approximately \$333,000,000 of prepetition debt which was comprised of the following principal amounts plus accrued interest:¹²

- Tranche A Completion Loans: \$55,000,000 in principal amount of tranche A debt, which is subdivided into two tranches, the Initial Tranche A Completion Loans in the principal amount of \$50,000,000 and the Secondary Tranche A Completion Loans in the principal amount of \$5,000,000;
- Tranche B Completion Loans: \$95,000,000 in principal amount of tranche B debt, which is subdivided into three tranches, the Initial Tranche B Completion Loans in the principal amount of \$55,000,000, the Secondary Tranche B Completion Loans in the principal amount of \$15,000,000, and the Tertiary Tranche B Completion Loans (defined below) in the amount of \$25,000,000; and
- Term Loans: \$160,000,000 in principal amount of term loans.¹³

(a) Prepetition Credit Facility

Ryckman is a borrower under that certain Second Amended and Restated Credit Agreement, dated as of October 31, 2014 (as the same has been amended, supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date, the "Prepetition Credit Agreement"), with ING Capital LLC ("ING"), as administrative agent and as collateral agent for the secured parties, the Bank of New York Mellon ("BONY"), as depository, and the tranche A lenders (the "Tranche A Lenders"), and Bear River, as the tranche B lender (the "Tranche B Lender" and together with the Tranche A Lenders, the "Completion Loan Lenders").

¹¹ The capital structure also included an incremental facility and an inventory management facility.

¹² Ryckman is the only borrower under the Second Amended and Restated Credit Agreement and the Amended and Restated Credit Agreement.

¹³ In addition, there is an approximate \$1,200,000 outstanding mark to market and settlement liability related to the Ryckman's interest rate swaps with two Prepetition Lenders.

The Prepetition Credit Facility is secured by (i) liens on substantially all of the assets of Ryckman, (ii) pledges of the Class A units of Ryckman by Holdings and Bear River, and (iii) pledges of the Class B units of Ryckman by the Nielson Equity Holders.

(b) Tranche A Completion Loan Commitment

Under the Prepetition Credit Agreement, the Tranche A Lenders committed to advance term loans in the aggregate principal amount of \$55,000,000 to finance project costs. The first \$50,000,000 of the Tranche A Loans (the “Initial Tranche A Completion Loans”) and the remaining \$5,000,000 in Tranche A Loans (the “Secondary Tranche A Completion Loans” and together with the Initial Tranche A Loans, the “Tranche A Completion Loans”) are fully funded. The Tranche A Completion Loans mature on December 31, 2018.

(c) Tranche B Completion Loan Commitment

Bear River initially committed to advance term loans to finance project costs in the aggregate principal amount of \$55,000,000 (comprised of \$50,000,000 of Initial Tranche B Completion Loans and \$5,000,000 of Secondary Tranche B Completion Loans). Subsequently, pursuant to various amendments to the Prepetition Credit Agreement, the Tranche B Lenders increased the Secondary Tranche B Completion Loans by an additional \$15,000,000 so that the aggregate Secondary Tranche B Completion Loan commitment was \$20,000,000 and the aggregate Tranche B Completion Loan commitment was \$70,000,000. Finally, on October 13, 2015, Ryckman, the Completion Loan Lenders, ING, and the Depository entered into the seventh amendment to the Prepetition Credit Agreement (the “Seventh Amendment”). Under the Seventh Amendment, Bear River upsized its commitment by another \$25,000,000 to \$95,000,000 in the aggregate. The first \$55,000,000 of the Tranche B Completion Loans (the “Initial Tranche B Loans”), the next \$15,000,000 in Tranche B Completion Loans (the “Secondary Tranche B Loans”), and the final \$25,000,000 in Tranche B Completion Loans (the “Tertiary Tranche B Loans” and together with the Initial Tranche B Completion Loans and the Secondary Tranche B Completion Loans, the “Tranche B Completion Loans”) are all fully funded. The Tranche B Completion Loans mature on December 31, 2018.

(d) Term Loan Commitment

At the time the Prepetition Credit Agreement was entered into, certain revolving and term loans made under the prior Amended and Restated Credit Agreement, dated as of May 15, 2014, with ING as administrative agent and BONY as depository and the lenders party thereto (the “Term Loan Lenders” and, together with the Completion Loan Lenders, the “Prepetition Lenders”), were restructured.¹⁴ As a result of the restructuring, as of the Petition Date, term

¹⁴ Under the Prepetition Credit Agreement, certain Inventory Loan Commitments (as defined in the Prepetition Credit Agreement) were terminated and none remain outstanding. In addition, certain Incremental Loan Commitments (as defined in the Second Amended and Restated Credit Agreement) were terminated and the outstanding Incremental Loans were deemed to have been repaid to ING. Finally, \$40,000,000 outstanding under a revolving facility was converted to term loans.

loans in the aggregate principal amount of approximately \$160,000,000 (the “Term Loans”) remain outstanding.¹⁵ The Term Loans mature on December 31, 2018.

(e) Priority of Payment of Prepetition Credit Facility Obligations

The Prepetition Lenders are party to that certain Agreement Among Lenders (as amended, restated, or supplemented from time to time, the “Agreement Among Lenders”). In addition, Ryckman, ING, and BONY are party to a certain Second Amended and Restated Disbursement Agreement (as amended, restated, or supplemented from time to time, the “Disbursement Agreement”). The Agreement Among Lenders and the Disbursement Agreement set forth the priority of payment between and among the Completion Loan Lenders and the Term Loan Lenders. In general, from and after a Cessation Event (as defined in the Disbursement Agreement)¹⁶:

- Payment of the principal and interest on the Tertiary Tranche B Completion Loans and the Secondary Tranche A Completion Loans is pari passu and senior in right of payment to the other outstanding indebtedness (collectively, the “First Priority Debt”).
- The principal and interest on the Initial Tranche A Completion Loans, the principal and interest on the Secondary Tranche B Completion Loans, and the principal on the Initial Tranche B Completion Loans are pari passu and next in priority (collectively, the “Second Priority Debt”).
- Finally, the Term Loan principal and interest is pari passu with the interest on the Initial Tranche B Completion Loans and junior to the First Priority Debt and the Second Priority Debt (collectively, the “Third Priority Debt”).

(f) Equity

Under the Prepetition Credit Agreement, all principal and interest under that certain Subordinated Advanced Note and Unit Purchase Agreement, dated as of June 2, 2014 with Bear River, pursuant to which Bear River had advanced \$30,000,000 in subordinated debt was exchanged for preferred member interests in Ryckman (the “Preferred Units”). As a result, Bear River holds 34,879.46 Preferred Units in Ryckman. In addition, as set forth above, Holdings holds 90,000 Class A units and Bear River holds 10,000 Class A Units of Ryckman. Individual owners of the Nielson Energy group hold all 10,000 of Ryckman’s Class B units. Rocky Mountains holds all 750,000 Class A Units of Holdings. Peregrine Midstream wholly owns Rocky Mountains. Bear River is the majority owner of Peregrine Midstream.

¹⁵ This amount is comprised of \$120,000,000 in term loans outstanding under the Amended and Restated Credit Agreement and \$40,000,000 in revolving loans under the Amended and Restated Credit Agreement which were converted to term loans under the Second Amended and Restated Credit Agreement. In addition, approximately \$1,200,000 remains outstanding as a liability under certain hedging agreements.

¹⁶ A Cessation Event includes a voluntary or involuntary filing for bankruptcy by Ryckman.

C. The Company's Board of Managers

The following persons comprise the boards of managers of the Debtors (the "Board of Managers"): ¹⁷

Peregrine Midstream	
Name	Position
Alex Darden	Manager
Andy Lang	Manager
Geoff Roberts	Manager
Roger Kelley	Manager
Jeffrey H. Foutch	Manager

Ryckman	
Name	Position
Roger Kelley	Manager
Jeffrey H. Foutch	Manager
Robert Foss	Manager

D. Executive Officers and Senior Management of the Debtors

The executive officers and senior management team of the Debtors is composed of highly capable professionals with substantial experience. The Debtors' executive officers and management team consists of the following individuals: ¹⁸

Name	Position
Robert Foss	Chief Executive Officer & President
James Ruth	Executive Vice President & General Counsel
Jeffrey H. Foutch	Executive Vice President & Chief Commercial Officer
K. Charles Sawyer	Vice President, Earth Sciences & Regulatory
Rob Weisgarber	Interim Chief Executive Officer
Thomas B. Osmun	Chief Restructuring Officer
Robert D. Albergotti	Vice President of Restructuring

¹⁷ Peregrine Rocky Mountains and Holdings are member-managed.

¹⁸ The executive officers and senior management of Ryckman and Peregrine Midstream are composed of the same individuals. Peregrine Rocky Mountains and Holdings are member-managed.

ARTICLE V.

THE CHAPTER 11 CASES

The following is a general summary of the Chapter 11 Cases, including certain events preceding the Chapter 11 Cases and the Debtors' restructuring initiatives implemented since the Petition Date.

A. Events Leading to the Commencement of the Chapter 11 Cases

1. Construction Issues/NRU Failure

Construction on the Ryckman Creek Facility began in the summer of 2011 under the direction of Company management and a third-party general contractor, Troy Construction, L.L.C. ("Troy"). The Ryckman Creek Facility began commercial operations in late 2012 and received injections of customer gas and gas purchased by the Company.

During limited commercial operations in April 2013, the nitrogen removal unit ("NRU"), a key piece of equipment at the Ryckman Creek Facility, failed and ignited a fire. As a result, the Ryckman Creek Facility suffered substantial damage that required significant repairs and replacement of not only the NRU but other key equipment as well. These required repairs and replacements led to delays in restarting commercial operations, leading to significant incremental costs to the original construction costs.¹⁹

2. Hydrogen Sulfide Gas

In addition to the fire and damage associated with the NRU failure, in early 2013, Ryckman Creek realized that the reservoir contained levels above those anticipated, of hydrogen sulfide gas ("H2S"), a corrosive gas that, if present in natural gas above certain levels, would render the natural gas unacceptable to owners of downstream pipelines and end users. Therefore, H2S must be removed prior to distribution to the natural gas distribution network. The Company and its engineers designed, developed, and installed an H2S Scavenging System to remove the H2S. Design and implementation of this fix, however, was expensive and led to further cost overruns and delays at the Ryckman Creek Facility.

3. Increased Debt

During the spring of 2014, Ryckman Creek engaged both ING and Bear River in discussions about amending the existing credit agreement dated November 2011 to allow for additional indebtedness to be incurred by Ryckman Creek to fund completion of the original construction projects, the rebuilt NRU, and equipment to address the H2S issues in the reservoir.

¹⁹ Before the Debtors operated the Ryckman Creek Facility, other companies used nitrogen as the inert gas to pressurize the reservoir to enhance oil recovery operations. As a result, a substantial amount of nitrogen exists in the reservoir that must be removed prior to nominating gas to various pipelines used by the Debtors' customers to transport natural gas.

Consequently, Ryckman, ING, and Bear River entered into an Amended and Restated Credit Facility.

During an inspection and audit of the safety and security of the Ryckman Creek Facility in May 2014, it was determined that significant settlement of the soils at the Ryckman Creek Facility had occurred. The Company determined that remediation of the site would cost approximately \$50,000,000, and at that time the remaining work to finish the project was estimated at \$48,000,000. Therefore, Ryckman once again engaged in discussions with Bear River and ING. During the course of September and October of 2014, Ryckman, Bear River, and ING engaged in extensive negotiations to reach a consensual, out of court transaction that culminated in the closing of the Second Amended and Restated Credit Facility, which provided an additional \$110,000,000 of funding. Following the original cost estimates from the Debtors' general contractor who replaced Troy, however, it quickly became apparent that the scope of the repairs was significantly underestimated. Consequently, the Tranche B Lender upsized the amount of its commitment first from \$55,000,000 to \$65,000,000, then to \$70,000,000, and finally to \$95,000,000 in the aggregate.

4. Troy Arbitration

On August 28, 2013, Troy initiated binding arbitration seeking recovery of contract balances of approximately \$31,000,000 allegedly owed by Ryckman Creek under the parties' Cost Reimbursable Plus Fixed Fee Engineering, Procurement and Construction Contract (the "EPC Contract") and Master Services Agreement (the "MSA"). On September 18, 2013, Ryckman Creek filed an answering statement and counterclaim denying Troy's entitlement to damages and seeking an award of not less than \$75,000 in damages. Subsequently, Ryckman Creek filed amended answering statements and counterclaims, increasing the amount of its claim for damages to approximately \$44,000,000 for damages allegedly resulting from Troy's allegedly defective performance. On October 26, 2015, the arbitration panel issued its final award, which granted Troy an award of \$19,799,129, which remains unpaid.

5. Completion of the Ryckman Creek Facility

Despite these setbacks and the related liquidity issues, the Company was able to complete construction of the Ryckman Creek Facility sufficient to commence initial storage services contemplated under the Firm Storage Service Precedent Agreement in December 2015. Currently, the Ryckman Creek Facility holds 13.1 Bcf of customer gas as well as 4.2 Bcf of gas owned by the Company. All major construction on the NRU is now complete, with only minor projects left to complete, none of which impact operations. Unfortunately, despite becoming commercially operational and the liquidity provided by the additional financing, the cost overruns and delays have left the Company with insufficient funds to continue to maintain and operate the facility.

Accordingly, the Company explored various options to obtain the necessary liquidity and engaged in negotiations with the Tranche A Lenders and the Tranche B Lender, but ultimately determined that no feasible out-of-court alternative existed.

6. Debtor-in-Possession Financing

Recognizing the Debtors' immediate need for capital and that a chapter 11 filing might be required, the Debtors and their advisors initiated a marketing process to obtain debtor-in-possession financing ("DIP Financing"). In connection therewith, the Debtors' advisors prepared a presentation describing the Debtors' capital structure, asset base, and financing needs. Simultaneously, the Debtors' advisors began identifying potential financing sources, with a focus on institutions with the ability to provide financing on an expedited basis. In total, the Debtors' advisors contacted 25 potential third-party lending sources.

Of the 25 contacted, seven of the third-party institutions accepted the Debtors' invitation to receive due diligence materials and entered into nondisclosure agreements to allow for due diligence and other exchanges of information. The Debtors' advisors held follow-up diligence calls with a number of these institutions. Ultimately, however, despite diligent efforts, the Debtors did not receive any proposals from third-parties. Instead, only ING was willing to provide the Debtors with any postpetition financing, in the form of the \$3,000,000 in bridge financing (the "Bridge Facility"). Through the Bridge Facility, ING provided the liquidity to support the Debtors' operational needs 45 days while the negotiations took place. ING further proposed the terms of additional financing in the aggregate amount of \$30,000,000, which the Debtors, and the Prepetition Lenders continued to negotiate postpetition. This proposed structure balanced the Prepetition Lenders' concerns with providing a full \$30,000,000 of funding before the Debtors had a clear path to exit while providing the Debtors with liquidity to fund the Chapter 11 Cases during the interim period.

With the Bridge Facility in place to launch the Debtors on the path to a comprehensive restructuring, on February 2, 2016, the Debtors commenced the Chapter 11 Cases.

B. First Day Pleadings

Upon commencing the Chapter 11 Cases, the Debtors sought and obtained a number of orders from the Bankruptcy Court to ensure a smooth transition of their operations into chapter 11 and facilitate the administration of the Chapter 11 Cases. Certain of these orders are briefly summarized below.

1. Administrative Motions: Motion for Joint Administration [Docket No. 3], Motion to File Consolidated List of Creditors [Docket No. 4], Motion for Extension of Time to File Schedules and Statements [Docket No. 5], and Application to Retain Claims and Noticing Agent [Docket No. 6]

To facilitate a smooth and efficient administration of the Chapter 11 Cases and to reduce the administrative burden associated therewith, by orders granted on February 3, 2016, the Bankruptcy Court authorized joint administration of the Debtors' cases for procedural purposes only [Docket No. 33] and authorized the Debtors to file a consolidated list of Creditors [Docket No. 34]. The Bankruptcy Court also authorized an extension of time for the Debtors to file their schedules and statements (the "Schedules and Statements"), extending the deadline to April 2, 2016 [Docket No. 35]. The Court further authorized the retention of KCC as claims and noticing agent [Docket No. 36].

2. Motion to Continue Cash Management System [Docket No. 7]

The Bankruptcy Court authorized the Debtors to continue using their cash management systems and their respective bank accounts, business forms, and intercompany transactions by an order granted on February 3, 2016 [Docket No. 39].

3. Motion to Waive Investment and Deposit Requirements [Docket No. 8]

By interim order granted on February 3, 2016 [Docket No. 38], the Bankruptcy Court waived Bankruptcy Code section 345 investment and deposit restrictions so as to allow the Debtors' banks to accept and hold investment funds in accordance with the Debtors' prepetition practices. The Debtors ultimately withdrew the motion to waive investment and deposit requirements upon a determination such relief was unnecessary [Docket No. 112].

4. Motion to Pay Employee Wages and Benefits [Docket No. 9]

By interim order granted on February 3, 2016 [Docket No. 39] and final order granted on February 29, 2016 [Docket No. 104], the Bankruptcy Court authorized the Debtors to pay prepetition wages, compensation, and amounts associated with employee benefit programs and continue such programs in the ordinary course.

5. Motion Determining Adequate Assurance of Payment for Future Utility Services [Docket No. 10]

By interim order granted on February 3, 2016 [Docket No. 40], the Bankruptcy Court established procedures for determining adequate assurance of payment for future utility services in recognition of the impact even a brief disruption of utility services would have on the Debtors. The Bankruptcy Court entered a final order on March 1, 2016 [Docket No. 117].

6. Motion to Pay Prepetition Taxes and Related Obligations [Docket No. 11]

By order granted on February 3, 2016 [Docket No. 41], the Bankruptcy Court authorized the Debtors to pay certain prepetition fees and taxes to various federal, state, county, and city taxing and licensing authorities.

7. Motion to Pay Insurance and Related Obligations [Docket No. 12]

By order granted on February 3, 2016 [Docket No. 42], the Bankruptcy Court authorized the Debtors to pay and maintain various insurance policies, including, among other things, general liability, workers' compensation liability, directors and officers liability, umbrella liability, automotive liability, pollution and remediation, crime, and property.

8. Motion to Pay Critical Vendors [Docket No. 14]

By interim order granted on February 3, 2016 [Docket No. 43], the Bankruptcy Court authorized the Debtors to pay prepetition Claims of certain critical vendors and suppliers in an amount not to exceed \$500,000 in the aggregate and approved procedures related thereto (the "First Interim Order"). By a second interim order granted on March 1, 2016 [Docket No. 118],

the Bankruptcy Court authorized the Debtors to pay prepetition claims of certain critical vendors and suppliers in an amount not to exceed \$700,000 (inclusive of any amounts paid pursuant to the First Interim Order) (the “Second Interim Order”). By a third interim order granted on March 24, 2016 [Docket No. 194], the Bankruptcy Court authorized the Debtors to pay prepetition claims of certain critical vendors and suppliers in an amount not to exceed \$1,000,000 (inclusive of any amount paid pursuant to the First Interim Order and the Second Interim Order). The Debtors will seek further interim or final relief with respect to the motion to pay critical vendors as needed.

9. Applications for Retention of Debtors’ Professionals

The Bankruptcy Court has approved the Debtors’ retention of certain Professionals to represent and assist the Debtors in connection with the Chapter 11 Cases. These Professionals include, among others: (i) Skadden, Arps, Slate, Meagher & Flom as counsel for the Debtors (order granted February 29, 2016) [Docket No. 105]; (ii) KCC as administrative agent for the Debtors (order granted February 29, 2016) [Docket No. 108]; (iii) AP Services, LLC to provide interim management services and designate Thomas B. Osmun to serve as Chief Restructuring Officer and Robert D. Albergotti to serve as Vice President of Restructuring (order granted February 29, 2016) [Docket No. 107]; and (iv) Evercore Group, L.L.C. (“Evercore”) as their investment banker (order granted February 29, 2016) [Docket No. 106].

The Bankruptcy Court has also authorized the Debtors to retain certain professionals utilized by the Debtors in the ordinary course of business prior to the Petition Date (order granted February 29, 2016) [Docket No. 110]. Further, the Bankruptcy Court has authorized the interim compensation and reimbursement of professional expenses during these cases (order granted February 29, 2016) [Docket No. 109].

C. Appointment of the Creditors’ Committee and Retention of Committee Professionals

On February 12, 2016, the United States Trustee appointed the Creditors’ Committee under Bankruptcy Code section 1102 [Docket No. 68].²⁰ By an order entered March 17, 2016, the Creditors’ Committee was authorized to retain Greenberg Traurig, LLP as its counsel [Docket No. 162]. By an order entered on April 7, 2016, the Creditors’ Committee was authorized to retain Alvarez & Marsal North America, LLC as financial advisors [Docket No. 222].

D. Appointment of Fee Examiner

On May 18, 2016, the Bankruptcy Court appointed Richard M. Meth of Fox Rothschild LLP as Fee Examiner [Docket No. 339].

²⁰ The Creditors’ Committee is comprised of the following entities: (i) Troy Construction, LLC; (ii) Redi Services, LLC; (iii) Alliance Process Partners, LLC, dba IAG; (iv) BCKK Engineering, Inc.; and (v) Praxair, Inc.

E. Schedules and Statements

On February 3, 2016, the Bankruptcy Court entered an order extending the Debtors' deadline to file their Schedules and Statements to April 2, 2016 [Docket No. 35]. The Debtors filed their Schedules and Statements on March 8, 2016 [Docket Nos. 130-137]. Ryckman and Peregrine filed amended Schedules on April 11, 2016 [Docket Nos. 226-227] and amended Statements on April 28, 2016 [Docket Nos. 284-285] and June 6, 2016 [Docket No. 393-394].

F. Plan Support Agreement

As discussed above, beginning prior to the Petition Date and continuing postpetition the Debtors negotiated the Plan Support Agreement with ING and the Prepetition Lenders, which contemplated that the Debtors would, with the support of the Supporting Creditors, pursue a plan of reorganization that would restructure the Debtors' obligations under the Prepetition Credit Agreement and significantly de-lever their balance sheets. These negotiations culminated in entry into the Plan Support Agreement on March 23, 2016.

The Plan Support Agreement sets forth certain milestones by which the Debtors must file certain documents and obtain Bankruptcy Court approvals related to the Plan. The Plan Support Agreement contains enumerated termination events, including the failure of the Debtors to meet the specified milestones. Upon the occurrence of a termination event, including the nonoccurrence of the restructuring contemplated by the plan support agreement term sheet attached as Exhibit A to the Plan Support Agreement (the "Plan Support Agreement Term Sheet"), the terms of which have been incorporated into the Plan, on or before August 5, 2016, as extended from July 7, 2016 by the Revised Solicitation Timeline, the Plan Support Agreement may terminate.

G. Postpetition Financing

As discussed above, prior to the Petition Date, the Debtors negotiated and entered into the Bridge Facility with ING, as agent and lender (the "Bridge Lender") and agreed to the general terms of an additional \$30,000,000 of secured postpetition debtor-in-possession financing (the "DIP Facility"). On the Petition Date, the Debtors filed a motion seeking interim and final bankruptcy court approval for the Bridge Facility and DIP Facility. The Court entered an order authorizing the Debtors to obtain the Bridge Facility, on an interim basis, on February 3, 2016 [Docket No. 44].

The Court scheduled a final hearing on March 1, 2016 to approve the motion for the DIP Facility, and following commencement of the Chapter 11 Cases, the Debtors continued to negotiate with ING to secure additional postpetition financing. However, the Debtors and ING were unable to reach an agreement by the March 1, 2016 hearing date, and requested that the Court enter a second interim order approving and modifying the Bridge Facility. On March 1, 2016 [Docket No. 121], the Bankruptcy Court entered a second interim order authorizing the Debtors to obtain an additional \$2,000,000 from the Bridge Lender, for a total amount not to exceed \$5,000,000.

The Debtors continued to negotiate with the Prepetition Lenders, and by a senior, superpriority secured debtor-in-possession credit and security agreement (the "DIP Credit"),

Agreement”) dated March 24, 2016, ING and the participating lenders (such lenders, the “DIP Lenders”) agreed to provide a postpetition, senior, super-priority DIP Facility up to \$35,000,000. By final order entered on March 24, 2016 [Docket No. 195], the Bankruptcy Court approved the Bridge Facility and the DIP Facility on a final basis, authorized the Debtors to obtain the \$35,000,000 of DIP financing on a secured, superpriority basis, and granted related relief.

H. The Challenge Period

The DIP Order established a Challenge Period (as defined in the DIP Order) for parties in interest other than the Debtors to commence a Challenge Action (as defined in the DIP Order) against the Prepetition Agent for purposes of challenging the validity, extent, priority, perfection, enforceability and non-avoidability of the Prepetition Liens against the Debtors, seeking to avoid or challenge made by or on behalf of the Debtors to or for the benefit of the Prepetition Lenders or the Prepetition Agent, seeking damages or equitable relief against the Prepetition Lenders or the Prepetition Agent, or challenging any other matter waived or released pursuant to the DIP Order. Per the DIP Order, the Challenge Period for the Creditors’ Committee was initially established as May 15, 2016. By agreement of the parties, this date was later extended until June 15, 2016 and then until [July 26], 2016.

During the course of the Chapter 11 Cases, the Creditors’ Committee has propounded substantial discovery requests on the Debtors, the Prepetition Agent, and the Prepetition Lenders. The Debtors, the Prepetition Agent, and the Prepetition Lenders have responded and continue to respond to these requests and, to date, have provided hundreds of thousands of pages of discovery documents. Certain depositions have been taken and additional depositions are scheduled for or will be scheduled in the coming weeks.

While this process is still ongoing, counsel to the Creditors’ Committee has indicated that they believe there may have been inequitable conduct by certain of the Prepetition Lenders in connection with the Completion Loans, because the Completion Loans allegedly did not provide adequate liquidity to finance completion of the Ryckman Creek Facility. As such, the Creditors’ Committee has indicated that it may assert that certain of the funding provided by the Completion Loans was inequitably provided as secured debt rather than equity, or should be recharacterized as equity, to the detriment of the General Unsecured Creditors.

In addition, Matrix Service Inc., Wholesale Electric Supply Co. of Houston, Inc., Distribution International, Inc. d/b/a, E.J. Bartells, and Brock Services, LLC (collectively, the “Purported Lienholders”) each alleges that it is a secured creditor of the Debtors that maintains a validly perfected lien on certain property of the Debtors (each a “Purported Lien” and, collectively, the “Purported Liens”). The Purported Lienholders requested an extension of the Challenge Period, which the Debtors and the DIP Lenders extended to June 15, 2016. The Purported Lienholders are conducting discovery and research regarding the Purported Liens the priority of payment of the Purported Liens in relation to the secured claims of the Prepetition Lenders.

I. Mediation

The parties anticipate that the Creditors' Committee's investigation may ultimately result in the assertion by the Creditors' Committee of certain causes of action which may impact formulation of the Plan, such as, for example, a cause of action for equitable subordination of some or all of the Tranche B Loans provided by Bear River. As a result, the Debtors, the Prepetition Lenders and the Creditors' Committee (the "Mediation Parties") have commenced a mediation process with respect to the plan and any related discovery issues (the "Plan Mediation"). On May 18, 2016, the Court entered its Order Establishing the Terms Governing Mediation (the "Mediation Order") [Docket No. 338], which appointed Judge Kevin Gross as the mediator (the "Mediator").

On May 18, 2016, the Mediation Parties held an introductory mediation session with the Mediator, and established that further mediation sessions will be held on June 16, 2016 and June 22, 2016. The Mediation Parties will submit confidential mediation statements to the Mediator by June 15, 2016.

J. Analyzing Executory Contracts and Unexpired Leases

The Bankruptcy Code authorizes a debtor, subject to the approval of the Bankruptcy Court, to assume, assume and assign, or reject Executory Contracts and Unexpired Leases. The Debtors are engaged an evaluation of their Executory Contracts and Unexpired Leases.

During the course of the Chapter 11 Cases, the Debtors and their Professionals have evaluated Executory Contracts and Unexpired Leases in the context of the Debtors' business plan. The Debtors continue to evaluate their options in connection with each of these Executory Contracts and Unexpired Leases including the potential assumption, rejection, or amendment and assumption thereof. As part of the Plan Supplement, the Debtors will identify contracts to be assumed in the Schedule of Assumed Executory Contracts and Unexpired Leases. All remaining contracts will be rejected.

The Plan Supplement will further identify those Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan for which the Debtors believe there is a cure amount of greater than \$0 in the Schedule of Assumed Executory Contracts and Unexpired Leases. Except as otherwise set forth in such schedule, the Cure Amount with respect to each of the Executory Contracts or Unexpired Leases assumed pursuant to the Plan is designated by the Debtors as \$0, subject to the determination of a different Cure Amount pursuant to the objection procedures set forth in Article VII of the Plan.

K. Analysis and Resolution of Claims

On March 8, 2016, the Debtors filed their Schedules and Statements [Docket Nos. 130-137]. Ryckman and Peregrine filed amended Schedules on April 11, 2016 [Docket Nos. 226-227] and amended Statements on April 28, 2016 [Docket Nos. 284-285] and June 6, 2016 [Docket Nos. 393-394]. The Schedules provide certain information pertaining to the Claims. Interested parties may review the Schedules and Statements at the office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801 or online at <http://www.kccllc.net/ryckman>.

1. Claims Bar Date

On February 29, 2016, the Bankruptcy Court entered an order [Docket No. 111] (the “Bar Date Order”) requiring all persons or entities who wished to assert claims against the Debtors’ Estates to file a proof of Claim (“Proof of Claim”) against the Debtors in the Chapter 11 Cases by no later April 11, 2016 (as defined in the Bar Date Order) (the “General Bar Date”). The Bar Date Notice was served on March 14, 2016. The General Bar Date applies to any person, other than governmental units, holding a claim against the Debtors allegedly owing as of the Petition Date, including claims under Bankruptcy Code section 503(b)(9), or any person with an alleged claim or expense claimed to have arisen prior to the Petition Date. Any governmental unit seeking to file a claim against the Debtors is required to do so by no later than August 1, 2016 at 5:00 p.m. (Eastern) (the “Governmental Bar Date”).

If the Debtors reject any executory contract or unexpired lease under Bankruptcy Code section 365, each person or entity holding a claim against the Debtors arising from such rejection must file a proof of claim by the later of (i) 30 days after the effective date of rejection of such executory contract or unexpired lease as provided by an order of the Bankruptcy Court or pursuant to notice under procedures approved by the Bankruptcy Court; (ii) any date set by another order of the Bankruptcy Court; or (iii) the General Bar Date (the “Rejection Bar Date”).

In the event that the Debtors amend the Schedules and Statements, the Debtors shall give notice of any amendment to the Holders of Claims affected thereby, and if the subject amendment reduces the unliquidated, noncontingent, and liquidated amount or changes the nature or classification of a Claim against a Debtor or the Debtor liable on the Claim, such Holders shall be given until the later of (i) the General Bar Date, or (ii) 30 days from the date such notice is given (or such other time period as may be fixed by the Bankruptcy Court) to file proofs of claim with respect to such affected Claim, if necessary, or be barred from filing such claim (the “Amended Schedule Bar Date”).²¹

As of June 7, 2016, KCC had received approximately 161 Proofs of Claim in the approximate aggregate liquidated amount of \$510 million.²² The Debtors have not yet been able to fully review the filed Proofs of Claim. Additionally, the Debtors are in the process of reviewing and reconciling their books and records to determine whether Proofs of Claim are invalid, untimely, duplicative, or overstated, but such process has not yet been completed. After or as they perform such general reconciliation of their books and records, the Debtors intend to file omnibus claims objections, and the outcome of such future objections could impact the amount of Allowed Claims in each Class and the recoveries provided to Creditors under the Plan.

²¹ The amendments to the Schedules and Statements filed on April 11, 2016, April 28, 2016, and June 6, 2016 did not reduce the unliquidated, noncontingent, and liquidated amount or change the nature or classification of any Claim against a Debtor or the Debtor liable on any Claim. Accordingly, such amendment did not result in an Amended Schedule Bar Date for any party.

²² This aggregated liquidated amount excludes duplicative claims filed against each of the Debtors. Removal of claims that the Debtors believe are duplicative leaves 113 non-duplicative Proofs of Claims.

2. Causes of Action

In accordance with Bankruptcy Code section 1123(b)(3), the Debtors reserve all rights to commence and pursue any and all Causes of Action that are not released under Article 10.4 of the Plan or an order of the Bankruptcy Court, whether arising before or after the Petition Date, including any actions or categories of actions specifically enumerated in a list of retained causes of action to be included in the Plan Supplement. Such Causes of Action shall vest in the Reorganized Debtors as of the Effective Date.

ARTICLE VI.

PLAN SUMMARY

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize its business for the benefit of itself, its Creditors, and interest holders. Chapter 11 also strives to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of a debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a debtor in possession.

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court makes such plan binding upon a debtor and any creditor of or equity interest holder in such debtor, whether or not such creditor or equity interest holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions, and except as otherwise provided in the plan or the confirmation order itself, a confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes for those debts the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual, and equitable rights of the holders of claims or interests in certain classes are to remain unaltered by the reorganization effectuated by the plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are presumed to accept the plan. Accordingly, a debtor need not solicit votes from the holders of claims or equity interests in such unimpaired classes. A chapter 11 plan also may specify that certain classes will not receive any distribution of property or retain any claim against a debtor. Such classes are deemed to reject the plan and, therefore, need not be solicited to vote to accept or reject the plan. Any classes that are receiving a distribution of property under the plan but are not unimpaired will be solicited to vote to accept or reject the plan.

Bankruptcy Code section 1123 provides that a plan of reorganization shall classify the claims of a debtor's Creditors and equity interest holders. In compliance therewith, the Plan divides Claims and Interests into various Classes and sets forth the treatment for each Class. The Debtors believe that the Plan has classified all Claims and Interests in compliance with Bankruptcy Code section 1122, but it is possible that a Holder of a Claim or Interest may challenge the classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, the Debtors intend, to the extent permitted by the Bankruptcy Court and the Plan, to make such modifications of the classifications under the Plan to permit Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, THE PLAN SUPPLEMENT, AND THE EXHIBITS AND DEFINITIONS CONTAINED IN EACH DOCUMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERRED TO IN THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN.

THE PLAN ITSELF AND THE DOCUMENTS IN THE PLAN CONTROL THE ACTUAL TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND WILL, UPON THE OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON, AMONG OTHER ENTITIES, ALL HOLDERS OF CLAIMS AND INTERESTS, THE REORGANIZED DEBTORS, ALL ENTITIES RECEIVING PROPERTY UNDER THE PLAN, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND SUCH OTHER OPERATIVE DOCUMENT SHALL CONTROL.

B. Overall Structure of the Plan

The Plan is supported by the Supporting Creditors who are party to the Plan Support Agreement. The Plan will result in a substantial deleveraging of the Company upon emergence from chapter 11 and will provide the Company with ample liquidity to continue operations as a

going concern. In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either unencumbered assets or contingent value rights.

C. Administrative Expenses and Priority Claims

1. Administrative Claims

Except to the extent that the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Administrative Claim agree to a less favorable treatment, a Holder of an Allowed Administrative Claim (other than a Professional Claim, which shall be subject to Article 2.3 of the Plan) shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim either (a) on the later of (x) the Initial Distribution Date; or (y) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when an Administrative Claim becomes an Allowed Administrative Claim or (ii) 30 days after the date when an Administrative Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Administrative Claim; or (b) if the Allowed Administrative Claim is an Ordinary Course Administrative Claim, in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; provided, however, that other than Holders of (i) a Professional Claim, (ii) an Administrative Claim Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iii) an Ordinary Course Administrative Claim that is not Disputed, the Holder of any Administrative Claim shall have filed an Administrative Claim Request Form no later than the Administrative Claims Bar Date and such Claim shall have become an Allowed Claim (or for any Section 503(b)(9) Claim, the Holder of such Section 503(b)(9) Claim shall have filed a Proof of Claim no later than the applicable Bar Date and such Claim shall have become an Allowed Claim). Except as otherwise provided herein and as set forth in Articles 2.2 or 2.3 of the Plan, all requests for payment of an Administrative Claim must be filed, in substantially the form of the Administrative Claim Request Form contained in the Plan Supplement, with the Claims, Noticing, and Solicitation Agent and served on counsel for the Debtors or the Reorganized Debtors, as applicable, no later than the Administrative Claims Bar Date. Any request for payment of an Administrative Claim pursuant to this Article 2.1 that is not timely filed and served shall be Disallowed automatically without the need for any objection from the Reorganized Debtors. The Reorganized Debtors may settle an Administrative Claim without further Bankruptcy Court approval and the Claims, Noticing, and Solicitation Agent shall be able to rely on the Reorganized Debtors representation of such settlement to adjust the claims register accordingly without further Bankruptcy Court approval. In the event that the Reorganized Debtors object to an Administrative Claim and there is no settlement, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim.

2. DIP Facility Claims

On the Effective Date, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every DIP Facility Claim, the DIP Facility Claims shall convert into the Exit Facility pursuant to the terms of the Exit Facility Credit Agreement.

3. Professional Claims

(a) **Final Fee Applications.** All final requests for payment of Professional Claims and requests for reimbursement of expenses of members of the Creditors' Committee must be filed no later than 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

(b) **Payment of Interim Amounts.** Subject to the Holdback Escrow Amount, on the Effective Date, the Reorganized Debtors shall pay all amounts owing to Professionals for all outstanding amounts billed relating to prior periods through the Effective Date as to which no objection has been filed and for which the objection period under the Professional Fee Order has expired. If any objections to such amounts sought are received by a Professional, no payments shall be made to such Professional on account of fees or expenses subject to such objection unless and until such fees or expenses are allowed by a Final Order of the Bankruptcy Court. Before or as soon as reasonably practicable after the Effective Date, a Professional seeking payment of estimated, unbilled amounts through the Effective Date shall submit a detailed invoice or fee estimate covering such period to counsel for the Debtors, counsel for the DIP Agent, and counsel for the Creditors' Committee, which estimated fees shall be subject to a 5-day objection period before such amounts may be included in the Holdback Escrow Amount. In the event that any objection is filed to such estimated fees to be included in the Holdback Escrow Amount, any fees and expenses subject to such an objection shall not be added to the Holdback Escrow Account without further order of the Bankruptcy Court.

(c) **Holdback Escrow Account.** On the Effective Date, the Reorganized Debtors shall fund the Holdback Escrow Account with Cash equal to the aggregate Holdback Escrow Amount for all Professionals. The Distribution Agent shall maintain the Holdback Escrow Account in trust for the Professionals with respect to whom fees have been held back pursuant to the Professional Fee Order and shall not be used for any purpose other than to pay the Allowed Professional Claims, except as set forth in the final sentence of this Article 2.3(c). No amounts shall be paid from the Holdback Escrow Account to any Professional unless and until the Professional's final fee application is Allowed by a Final Order of the Bankruptcy Court. When all Professional Claims have been paid in full in the amounts Allowed by Final Order of the Bankruptcy Court, amounts remaining in the Holdback Escrow Account, if any, shall be paid to the Reorganized Debtors.

(d) **Post-Effective Date Retention.** Upon the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors shall employ and pay Professionals in the ordinary course of business

(including the reasonable fees and expenses incurred by Professionals in preparing, reviewing, prosecuting, defending, or addressing any issues with respect to final fee applications).

4. Priority Tax Claims

On the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when a Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) 30 days after the date when a Priority Tax Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Priority Tax Claim, except to the extent that the Debtors (or Reorganized Debtors) and a Holder of an Allowed Priority Tax Claim agree to a less favorable treatment, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim: (x) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (y) Cash in an amount agreed to by the Debtors (or the Reorganized Debtors) and such Holder, provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (z) at the sole option of the Reorganized Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to Bankruptcy Code section 1129(a)(9)(C). To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

D. Classification, Treatment, and Voting of Claims and Interests

1. Classification of Claims and Interests²³

(a) In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims (including Professional Claims), DIP Facility Claims, and Priority Tax Claims of the kinds specified in Bankruptcy Code sections 507(a)(1) and 507(a)(8) have not been classified and their treatment is set forth in Article II above.

(b) Pursuant to Bankruptcy Code sections 1122 and 1123, set forth below is a designation of classes of Claims against and Interests in the Debtors. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and, to the extent applicable, receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

²³ The Debtors are still conducting analysis on substantive consolidation. To provide update prior to Disclosure Statement Hearing.

(c) Claims and Interests are divided into numbered Classes as set forth below:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims	Impaired	Entitled to Vote
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Subordinated Claims	Impaired	Deemed to Reject
8	Interests	Impaired	Deemed to Reject

E. Provision for Treatment of Claims and Interests

1. Class 1 – Other Secured Claims

(a) Classification: Class 1 consists of all Other Secured Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 1 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 1 Claim, each such Holder of an Allowed Class 1 Claim shall, at the election of the Debtors or the Reorganized Debtors (with the approval of the Supporting Creditors), as applicable:

(i) have its Allowed Class 1 Claim Reinstated and rendered Unimpaired on the Effective Date in accordance with Bankruptcy Code section 1124(2), notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Class 1 Claim to demand or receive payment of such Allowed Class 1 Claim prior to the stated maturity of such Allowed Class 1 Claim from and after the occurrence of a default;

(ii) be paid in full in Cash or Cash equivalents in an amount equal to such Allowed Class 1 Claim, including postpetition interest, if any, on such Allowed Class 1 Claim required to be paid pursuant to Bankruptcy Code section 506, on the later of (a)

the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim; or

(iii) receive the collateral securing its Allowed Class 1 Claim free and clear of Liens, Claims, and encumbrances on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim, provided that such collateral, as of the day prior to the Effective Date, was property of the Estates.

Nothing in Article 4.1 or elsewhere in the Plan shall preclude the Debtors or the Reorganized Debtors, as applicable, from challenging the validity of any alleged Lien on any asset of the Debtors or the value of the property that secures any alleged Lien.

(c) Voting: Class 1 is Unimpaired, and Holders of Allowed Class 1 Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 1 Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 2 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 2 Claim, each such Holder of an Allowed Class 2 Claim shall be paid in full in Cash on the first Periodic Distribution Date occurring after the later of (i) the Effective Date and (ii) 30 days after the date when a Class 2 Claim becomes an Allowed Claim; provided, however, that Other Priority Claims that arise in the ordinary course of the Debtors' business and which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business.

(c) Voting: Class 2 is Unimpaired, and Holders of Allowed Class 2 Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 2 Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims

(a) Classification: Class 3 consists of all Prepetition Credit Agreement Secured Claims and all Hedging Agreement Secured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 3 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 3 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 Claim shall receive on account of such Class 3 Claim (i) the New Notes and (ii) the New Holdings Equity, which shall be provided in accordance with the treatment set forth for the Class 3 subclasses, as set forth below.

(i) *Subclass 3-A - Secondary Tranche A Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Secondary Tranche A Completion Loans shall receive Series A-1 Senior Notes in an amount equal to the original principal amount of the Secondary Tranche A Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(ii) *Subclass 3-B - Tertiary Tranche B Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Tertiary Tranche B Completion Loans shall receive the Series B Senior Notes in an amount equal to the original principal amount of the Tertiary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(iii) *Subclass 3-C – Initial Tranche A Completion Loan Secured*
Claims of DIP Lenders

Holders of Allowed Secured Claims on account of Initial Tranche A Completion Loans who are DIP Lenders shall receive Series A-2 Senior Notes in an amount equal to the principal amount of DIP Loans provided by such Holder, up to a maximum amount of Allowed Secured Claims on account of Initial Tranche A Completion Loans.

(iv) *Subclass 3-D – Other Initial Tranche A Completion Loan*
Secured Claims

After giving effect to distributions to Subclass 3-C, Holders of Allowed Secured Claims on account of any remaining principal of, and accrued unpaid interest through the Effective Date of the Plan on, Initial Tranche A Completion Loans shall receive Series A Junior Notes in an amount equal to such principal and accrued interest amounts.

(v) *Subclass 3-E – Secondary Tranche B Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Secondary Tranche B Completion Loans shall receive the Series B Junior Notes in an amount equal to the original principal amount of the Secondary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(vi) *Subclass 3-F* – Initial Tranche B Completion Loan
Principal Secured Claims

Holders of Allowed Secured Claims on account of Initial Tranche B Completion Loan Principal shall receive the Hybrid New Notes in an amount equal to the original principal amount of the Initial Tranche B Completion Loans.

(vii) *Subclass 3-G* – Initial Tranche B Converted Interest
Secured Claims

Holders of Allowed Secured Claims for Initial Tranche B Converted Interest shall receive New Class B Preferred Units and New Class B Common Units basis in exchange for the Initial Tranche B Converted Interest through the Effective Date of the Plan.

(viii) *Subclass 3-H* - Term Loan Secured Claims of DIP Lenders
and Tranche A Completion Loan Lenders

Holders of Allowed Secured Claims on account of Term Loans who are DIP Lenders and Tranche A Completion Loan Lenders shall receive (i) Series A-1 Preferred Units on a Pro Rata basis based on the amount of DIP Facility Claims of each Holder, (ii) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-I Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (iii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iv) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

The Series A-1 Preferred Units received by such Holders shall first reduce the amount of Series A-3 Preferred Units received by such Holder before reducing the amount of Series A-2 Preferred Units received by such Holder.

(ix) *Subclass 3-I* – Term Loan Secured Claims of Tranche A
Completion Loan Lenders

Holders of Allowed Secured Claims on account of Term Loans who are Tranche A Completion Loan Lenders but are not DIP Lenders shall receive (i) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-H Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction (with respect to Holders in Subclass 3-H) for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (ii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iii) New Class

A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

(x) *Subclass 3-J – Other Term Loan Secured Claims and Hedging Agreement Secured Claims*

Holders of Allowed Secured Claims on account of Term Loans who are neither DIP Lenders nor Tranche A Completion Loan Lenders and Holders of Allowed Hedging Agreement Secured Claims shall receive (i) Series A-3 Preferred Units on a Pro Rata basis with Subclasses 3-H and 3-I based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder after reduction, first, (with respect to Holders in Subclasses 3-H and 3-I) for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder and (ii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-I Claims based on the amount of Term Loan Claims or Hedging Agreement Claims, as applicable, held by each Holder.

(c) Voting: Each Class 3 Subclass is Impaired and Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan. Votes of each Class 3 Subclass shall be calculated separately for each Class 3 Subclass.

4. Class 4 – Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims

(a) Classification: Class 4 consists of all Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 4 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 4 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets; provided, however, that in the event that Class 5 Votes as a Class to accept the Plan, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.

(c) Voting: Class 4 is Impaired and Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) Classification: Class 5 consists of all General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 5 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 5 Claim (i) in the event that

Class 5 Votes as a Class to accept the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share of the Contingent Value Rights, and shall be deemed to have waived any right to recover from the proceeds of the Unencumbered Assets, or (ii) in the event that Class 5 Votes as a class to reject the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets.

(c) Voting: Class 5 is Impaired and Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) Classification: Class 6 consists of all Intercompany Claims.

(b) Treatment: On the Effective Date, all net Allowed Class 6 Claims (taking into account any setoffs of Intercompany Claims) shall be released, waived, and discharged without payment or distribution.

(c) Voting: Class 6 is Impaired, and Holders of Allowed Class 6 Claims are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 6 Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Subordinated Claims

(a) Classification: Class 7 consists of all Subordinated Claims.

(b) Treatment: Holders of Allowed Class 7 Claims shall not receive any distributions on account of such Allowed Class 7 Claims, and on the Effective Date all Allowed Class 7 Claims shall be released, waived, and discharged.

(c) Voting: Class 7 is Impaired, and Holders of Allowed Class 7 Claims are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 7 Claims are not entitled to vote to accept or reject the Plan.

8. Class 8 – Interests

(a) Classification: Class 8 consists of all Interests.

(b) Treatment: On the Effective Date, Allowed Class 8 Interests shall be deemed automatically cancelled, released, and extinguished without further action by the Debtors or the Reorganized Debtors and the obligations of the Debtors and the Reorganized Debtors thereunder shall be discharged and the Holders of Allowed Class 8 Interests shall not receive or retain any property or interests on account of such Class 8 Interest.

(c) Voting: Class 8 is Impaired, and Holders of Allowed Class 8 Interests are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g).

Therefore, Holders of Allowed Class 8 Interests are not entitled to vote to accept or reject the Plan.

F. Acceptance

1. Classes Entitled to Vote

Classes 3-A, 3-B, 3-C, 3-D, 3-E, 3-F, 3-G, 3-H, 3-I, 3-J, 4, and 5 are Impaired and are entitled to vote to accept or reject the Plan. By operation of law, Classes 1 and 2 are Unimpaired and are deemed to have accepted the Plan and, therefore, are not entitled to vote. By operation of law, Classes 6, 7, and 8 are deemed to have rejected the Plan and are not entitled to vote.

2. Acceptance by Impaired Classes

An Impaired Class of Claims shall have accepted the Plan if, not counting the vote of any Holder designated under Bankruptcy Code section 1126(e), (a) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan and (b) the Holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept the Plan.

3. Elimination of Classes

To the extent applicable, any Class that does not contain any Allowed Claims or any Claims temporarily allowed for voting purposes under Bankruptcy Rule 3018, as of the date of commencement of the Confirmation Hearing, shall, for each applicable Debtor, be deemed to have been deleted from the Plan for purposes of (a) voting to accept or reject the Plan and (b) determining whether it has accepted or rejected the Plan under Bankruptcy Code section 1129(a)(8).

4. Deemed Acceptance if No Votes Cast

If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims in such Class.

5. Cramdown

To the extent necessary, the Debtors shall request confirmation of the Plan, as it may be modified from time to time in accordance with the terms hereof, under Bankruptcy Code section 1129(b). The Debtors reserve the right to modify, amend, or withdraw the Plan, with respect to all Debtors or any individual Debtor or group of Debtors to the extent, if any, that confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

6. Allowance of Prepetition Credit Agreement Claims

The Prepetition Credit Agreement Claims are hereby Allowed in the amount of \$[____].

G. Means for Implementation of the Plan²⁴

1. General Settlement of Claims and Interests

Pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provision of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan.

2. Plan Funding

Distributions under the Plan, and the Reorganized Debtors' operations post-Effective Date will be funded from the following sources:

(a) **Exit Facility.** On the Effective Date, the Reorganized Debtors shall enter into the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors and the Exit Facility lenders. Confirmation shall be deemed approval of the Exit Facility (including the transactions contemplated thereby, such as any supplementation or syndication of the Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors (with consent of the Exit Lenders) may deem to be reasonably necessary to consummate such Exit Facility.

(b) **Other Plan Funding.** Other than as set forth in Article 6.3(a) of the Plan, all Cash necessary for the Reorganized Debtors to make payments required by the Plan shall be obtained from the Debtors' Cash balances then on hand and/or Cash from business operations, after giving effect to the transactions contemplated herein.

3. Authorization and Issuance of New Notes

On or as soon as reasonably practicable after the Effective Date, Reorganized Ryckman shall issue the New Notes (which shall be subject to the New AAL), the terms of which are summarized in the Plan and the Plan Supplement, and the final form of which shall be acceptable to the Reorganized Debtors and the Required Consenting Parties. The Reorganized Debtors are authorized to issue the New Notes without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

²⁴ The Debtors are still conducting substantive consolidation analysis. To provide update prior to Disclosure Statement Hearing.

4. Authorization and Issuance of New Holdings Equity and New Ryckman Common Units

(a) On the Effective Date, Reorganized Holdings shall authorize and issue the New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units. Distribution of New Holdings Equity and the New Ryckman Common Units hereunder shall constitute issuance of 100% of the New Holdings Equity and 100% of the New Ryckman Common Units, respectively, and shall be deemed issued on the Effective Date. The issuance of New Holdings Equity by Reorganized Holdings, including options for the purchase thereof or other equity awards, if any, providing for the issuance of New Common Units, and the issuance of New Ryckman Common Units by Reorganized Ryckman is authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

(b) All of the membership units of New Holdings Equity and New Ryckman Common Units issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable, and the holders of New Preferred Units and New Common Units shall not be required to execute the New LLC Agreements before receiving their respective distributions of New Preferred Units and New Common Units under the Plan. Any such Entities who do not execute the New LLC Agreements shall be automatically deemed to have accepted the terms of the New LLC Agreements (in their capacity as membership unit holders of Reorganized Holdings) and to be parties thereto without further action. The New LLC Agreements shall be adopted on the Effective Date and shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Preferred Units and New Common Units shall be bound thereby.

(c) On the Effective Date, none of the New Holdings Equity or New Ryckman Common Units will be registered under the Securities Act or listed on a national securities exchange, the Reorganized Debtors will not be reporting companies under the Securities and Exchange Act of 1934 as amended (the "Exchange Act"), the Reorganized Debtors shall not be required to and will not file reports with the Securities and Exchange Commission or any other entity or party. The Reorganized Debtors shall not be required to file monthly operating reports with the Bankruptcy Court after the Effective Date. To prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Exchange Act, except in connection with a public offering, the New Corporate Governance Documents may impose certain trading restrictions, and the New Holdings Equity and the New Ryckman Common Units will be subject to certain transfer and other restrictions pursuant to the New Corporate Governance Documents designed to maintain the Reorganized Debtors as private, non-reporting companies.

5. Exemption from Securities Act Registration Requirements

The offering, issuance, and distribution of any Securities pursuant to the Plan and any and all settlement agreements incorporated therein will be exempt from the registration requirements of Section 5 of the Securities Act pursuant to Bankruptcy Code section 1145, section 4(a)(2) of the Securities Act, or any other available exemption from registration under the Securities Act, as

applicable. Section 4(a)(2) of the Securities Act exempts transactions not involving a public offering, and section 506 of Regulation D of the Securities Act provides a safe harbor under section 4(a)(2) for transactions that meet certain requirements. In addition, under Bankruptcy Code section 1145, if applicable, any Securities issued pursuant to the Plan and any and all settlement agreements incorporated therein will be freely transferable under the Securities Act by the recipients thereof, subject to (1) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments, (2) the restrictions, if any, on the transferability of such Securities and instruments in the governing documents to such Securities, and (3) any other applicable regulatory approval. In reliance upon these exemptions, the offer, issuance, and distribution of Securities will not be registered under the Securities Act or any applicable state blue sky laws, and may not be transferred, encumbered or otherwise disposed of in the absence of such registration or an exemption therefrom under the Securities Act or under such laws and regulations thereunder. Accordingly, the Securities may be subject to restrictions on transfer as set forth in the governing documents to such Securities.

6. Cancellation of the Prepetition Credit Facility and Interests

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to, (a) all notes, instruments, certificates, and other documents evidencing the Credit Facilities, (b) the Old AAL, (c) the Disbursement Agreement, and (d) Interests, and the obligations in any way related thereto (including the foregoing items (a), (b), (c), and (d)) shall be fully satisfied, released, and discharged.

7. Issuance of New Securities; Execution of Plan Documents

Except as otherwise provided in the Plan, on or as soon as reasonably practicable after the Effective Date, the Reorganized Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan.

8. Continued Corporate Existence

Except as otherwise provided in the Plan, including Articles 6.9, 6.10, and 6.11, the Debtors shall continue to exist after the Effective Date as separate entities, the Reorganized Debtors, with all the powers of limited liability companies under applicable law in the jurisdictions in which the Debtors have been formed, and pursuant to their certificates of formation and limited liability company agreements or other organizational documents in effect prior to the Effective Date, except to the extent such certificates of formation and limited liability company agreements or other organization documents are amended and restated by the Plan, including pursuant to Article 6.12, without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the Effective Date. To the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan without any further notice to or action, order, or approval of the Bankruptcy Court or any other

court of competent jurisdiction (other than the requisite filings required under applicable state, provincial, or federal law).

9. Restructuring Transactions

(a) On or following the Confirmation Date, the Debtors or Reorganized Debtors, as the case may be, shall take such actions as may be necessary or appropriate to effect the relevant restructuring transactions as set forth in the Plan and the Plan Transaction Documents, and may take other actions on or after the Effective Date.

(b) Prior to, on, or after the Effective Date, and pursuant to the Plan, the Reorganized Debtors shall enter into the restructuring transactions described herein and in the Disclosure Statement and the Plan Transaction Documents. The Debtors or the Reorganized Debtors, as applicable, shall take any actions as may be necessary or appropriate to effect a restructuring of the Debtors' businesses or the overall organizational structure of the Reorganized Debtors. The restructuring transactions may include one or more restructurings, conversions, dissolutions, or transfers as may be determined by the Debtors to be necessary or appropriate, including the dissolution of Peregrine Midstream and Peregrine Rocky Mountains as contemplated under Article 6.11 of the Plan. The actions taken by the Debtors or the Reorganized Debtors, as applicable, to effect the restructuring transactions may include: (i) the execution, delivery, adoption, and/or amendment of appropriate agreements or other documents of restructuring, conversion, disposition, or transfer containing terms that are consistent with the terms of the Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and that satisfy the applicable requirements of applicable state law and any other terms to which the applicable parties may agree; (ii) the execution, delivery, adoption, and/or amendment of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and having other terms for which the applicable parties may agree; (iii) the filing of appropriate certificates of formation, merger, consolidation, dissolution, or conversion pursuant to applicable state law, including but not limited to an amended certificate of formation and LLC agreement with the appropriate governmental authorities; (iv) the cancellation of membership units and warrants; and (v) all other actions that the Debtors or the Reorganized Debtors, as applicable, determine to be necessary, desirable, or appropriate to implement, effectuate, and consummate the Plan or the restructuring transactions contemplated hereby, including making filings or recordings that may be required by applicable state law in connection with the restructuring transactions.

10. Dissolution of Certain of the Debtors

The anticipated post-Effective Date structure of the Reorganized Debtors shall be a holding company and operating company structure, with the assets of the Debtors transferred to the operating company, Reorganized Ryckman, which shall be wholly owned by the holding company, Reorganized Holdings. On the Effective Date, Peregrine Midstream and Peregrine Rocky Mountains shall be deemed dissolved under applicable state law (by merger with and into Reorganized Holdings or otherwise) for all purposes without the necessity for any other or further actions to be taken by or on behalf of such Entities or payments to be made in connection

therewith; provided, however, the Debtors, the Reorganized Debtors, or the Disbursement Agent, as applicable, may, but is not required to take any actions it determines to be desirable to effectuate the foregoing.

11. Closing of the Chapter 11 Cases

On the Effective Date, pursuant to the Inactive Debtors Final Decree, the Chapter 11 Cases of the Debtors other than Ryckman shall be closed. Until entry of a final decree closing all of the Chapter 11 Cases, the closing of the Chapter 11 Cases of the Debtors other than Ryckman under Article 6.12 of the Plan shall be for procedural purposes and for purposes of calculating fees payable under section 1930 of title 28 of the United States Code only, and shall not prejudice the rights of any Creditor with respect to such Debtors or their Estates.

12. New Corporate Governance Documents

The New Corporate Governance Documents shall be adopted and amended as may be required so that they are consistent with the provisions of the Plan and otherwise comply with Bankruptcy Code section 1123(a)(6). After the Effective Date, the Reorganized Debtors may amend and restate the New Corporate Governance Documents and other constituent documents as permitted by applicable state LLC or other comparable alternative law, as applicable, and their certificates of formation and LLC agreements.

13. LLC Managers and Officers of the Reorganized Debtors

On the Effective Date, the term of the current members of the board of managers of Peregrine Midstream and Ryckman shall expire. On the Effective Date, the New Holdings Board and the New Ryckman Board shall be appointed. On and after the Effective Date, each manager or officer of the Reorganized Debtors shall serve pursuant to the terms of the New Corporate Governance Documents and applicable state corporation law or alternative comparable law, as applicable.

14. Corporate Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtors or the Reorganized Debtors or corporate action to be taken by or required of the Debtors or the Reorganized Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized, approved, and to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by stockholders, Creditors, or directors of the Debtors or the Reorganized Debtors. Such actions may include (a) the adoption and filing of the New Corporate Governance Documents, (b) the appointment of the New Holdings Board and the New Ryckman Board, (c) the issuance and distribution of New Holdings Equity (comprised of the New Preferred Units and the New Common Units) and New Ryckman Common Units, (d) entry into the Exit Facility, (e) entry into the New Notes, (f) issuance of Contingent Value Rights, and (g) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date).

15. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers thereof and members of the New Holdings Board and the New Ryckman Board, shall be authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, or to otherwise comply with applicable law, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

16. Employment, Retirement, and Other Agreements and Employee Compensation Plans

(a) **Employment Agreements.** The Debtors shall assume or reject employment, severance (change in control), retirement, indemnification, or other agreement with their pre-Effective Date managers, officers, and employees in accordance with the provisions of Article VII of the Plan. If the Debtors do not list such agreement on the list of “Assumed Executory Contracts and Unexpired Leases” contained in the Plan Supplement in accordance with Article 7.1 of the Plan, such agreement shall be deemed rejected. The Reorganized Debtors may enter into new employment arrangements and/or change in control agreements with the Debtors’ officers who continue to be employed after the Effective Date; provided, however, that to enter into or to obtain the benefits of any such employment agreement, such executive officer must contractually waive and release all pre-existing claims, including those arising from pre-existing employment, change in control, or other employment-related agreements and/or benefits under certain pre-existing compensation and benefit arrangements. On or after the Effective Date, the Reorganized Debtors may adopt, approve, and authorize the new employment arrangement and/or change in control agreement with respect to such officers of the Reorganized Debtors without further action, order, or approval of the New Holdings Board or the New Ryckman Board, as applicable.

(b) **Other Incentive Plans and Employee Benefits.** Unless otherwise specified in the Plan, and except in connection and not inconsistent with Article 6.17(a), on and after the Effective Date, the Reorganized Debtors shall have the sole discretion to (a) amend, adopt, assume, and/or honor, in the ordinary course of business or as otherwise provided herein, any contracts, agreements, policies, programs, and plans assumed pursuant to Article 7 of the Plan for, among other things, compensation, pursuant to the terms thereof or hereof, including any incentive plan, 401(k) plan, health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers’ compensation benefits, life insurance, and accidental death and dismemberment insurance for the managers, officers, and employees of the Debtors who served in such capacity from and after the Petition Date, and (b) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date.

17. Preservation Of Causes Of Action

In accordance with Bankruptcy Code section 1123(b)(3), the Reorganized Debtors shall retain and may (but are not required to) enforce all rights to commence and pursue any and all Causes of Action that are not released pursuant to Article 10.4 of the Plan or exculpated pursuant to Article 10.6 of the Plan or an order of the Bankruptcy Court, whether arising before or after the Petition Date, including any actions or categories of actions specifically enumerated in a list of retained Causes of Action contained in the Plan Supplement, and such Causes of Action shall vest in the Reorganized Debtors as of the Effective Date. The Reorganized Debtors, in their sole and absolute discretion, shall determine whether to bring, settle, release, compromise, or enforce such Causes of Action (or decline to do any of the foregoing), and shall not be required to seek further approval of the Bankruptcy Court for such action. The Reorganized Debtors or any successors may pursue such litigation claims in accordance with the best interests of the Reorganized Debtors or any successor holding such rights of action. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or an order of the Bankruptcy Court, the Reorganized Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or consummation of the Plan.

18. Reservation of Rights

With respect to any Cause of Action that the Debtors expressly abandon, if any, the Debtors and the Reorganized Debtors, as applicable, reserve all rights, including the right under Bankruptcy Code section 502(d) to use defensively the abandoned Causes of Action as a basis to object to all or any part of a claim against any of the Estates asserted by a Creditor who obtains the benefit of the abandoned Cause of Action. Except as set forth in Article X of the Plan, nothing contained in the Plan shall constitute or be deemed a waiver or abandonment of any Cause of Action that the Debtors or any Entity may hold against 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.

19. Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to Bankruptcy Code section 1146(a), any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment to the fullest extent contemplated by Bankruptcy Code section 1146(a), and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental

assessment and accept for filing and recordation of any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

20. Termination of Utility Deposit Account

On the Effective Date, the Utility Deposit Account created pursuant to Bankruptcy Code section 366 shall be automatically terminated, and funds therein vest in the Reorganized Debtors. All deposits provided to utility providers under Bankruptcy Code section 366 shall likewise be returned on the Effective Date.

H. Unexpired Leases and Executory Contracts

1. Rejection of Executory Contracts and Unexpired Leases

(a) **Automatic Rejection.** Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (i) is listed on the Schedule of Assumed Executory Contracts and Unexpired Leases contained in the Plan Supplement; (ii) has been previously assumed or rejected by the Debtors by Final Order of the Bankruptcy Court or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (iii) is the subject of a motion to assume or reject pending as of the Effective Date; or (iv) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date; provided however, that until the Effective Date, the Debtors may subsequently seek to assume an Executory Contract or Unexpired Lease previously slated for rejection by filing a motion to assume such Executory Contract or Unexpired Lease prior to the Effective Date, as set forth in Section 7.1(d) of the Plan. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases subject to compliance with the requirements herein.

(b) **Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.** Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or the Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts.

(c) **Claims Procedures Related to Rejection of Executory Contracts or Unexpired Leases.** Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Claims, Noticing, and

Solicitation Agent no later than 30 days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims.

(d) **Reservation of Rights.** Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the rejection of any Executory Contract or Unexpired Lease.

2. Assumption of Executory Contracts and Unexpired Leases

(a) **Assumption.** Except as otherwise provided herein, upon the occurrence of the Effective Date, each Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases shall be assumed, or assumed and assigned, as applicable, and shall vest in and be fully enforceable by the Reorganized Debtors or its assignee in accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing or providing for its assumption or applicable federal law. With respect to each such Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contracts and Unexpired Leases may be conditioned upon the disposition of all issues with respect to such Cure. The Confirmation Order will constitute an order of the Bankruptcy Court approving such assumptions pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date. To the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan (including any “change of control” provision) restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the Reorganized Debtors’ assumption of such Executory Contract or Unexpired Lease, then such provision shall be deemed modified such that the transactions contemplated by the Plan will not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Each Executory Contract and Unexpired Lease assumed pursuant to Article 7.2 of the Plan will revert in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(b) **Modifications, Amendments, Supplements, Restatements, or Other Agreements.** Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any

of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated pursuant hereunder.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

(c) Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. To the extent that any and all Proofs of Claims include any claims based on Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, pursuant to the order approving such assumption, including the Confirmation Order, the portion of such Proofs of Claim addressing cure obligations for Executory Contracts or Unexpired Leases shall be deemed disallowed and expunged from the claims register as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

(d) Cure Procedures and Payments Related to Assumption of Executory Contracts and Unexpired Leases. With respect to each of the Executory Contracts or Unexpired Leases assumed hereunder, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contract or Unexpired Lease shall be conditioned upon the disposition of all issues with respect to Cure. Except as otherwise set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases in the Plan Supplement, the Cure amount with respect to each of the Executory Contracts or Unexpired Leases assumed hereunder is designated by the Debtors as \$0, subject to the determination of a different Cure amount pursuant to the procedures set forth herein and in the Cure Notices. Except with respect to Executory Contracts and Unexpired Leases for which the Cure is \$0, the Cure shall be satisfied by the Reorganized Debtors or their assignee, if any, by payment of the Cure in Cash on the later of (a) 30 days following the occurrence of the Effective Date or as soon as reasonably practicable thereafter; or (b) for any Cure amounts subject to dispute, 30 days after the underlying Cure dispute is resolved, on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court.

Any provisions or terms of the Executory Contracts or Unexpired Leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of Cure. If there is a dispute regarding such Cure, the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” within the meaning of Bankruptcy Code section 365, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. The Debtors or the Reorganized Debtors, as applicable, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease is made.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

(e) **Cure Notices.** No later than 3 days after the Debtors file the Schedule of Assumed Executory Contracts and Unexpired Leases (or any amendments thereof), the Debtors shall serve upon counterparties to such Executory Contracts and Unexpired Leases (but shall not file) a Cure Notice that will (i) notify the counterparty of the proposed assumption, (ii) list the applicable Cure, if any, set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, (iii) describe the procedures for filing objections to the proposed assumption or assumption and assignment of the applicable Executory Contract or Unexpired Lease, (iv) describe the procedures for filing objections to the proposed Cure of the applicable Executory Contract or Unexpired Lease, and (v) explain the process by which related disputes will be resolved by the Bankruptcy Court. If no objection is timely received, (x) the non-Debtor party to the Executory Contract or Unexpired Lease to be assumed shall be deemed to have consented to the assumption of the applicable Executory Contract or Unexpired Lease and shall be forever barred from asserting any objection with regard to such assumption, and (y) the proposed Cure shall be controlling, notwithstanding anything to the contrary in any applicable Executory Contract or Unexpired Lease or other document as of the date of the filing of the Plan, and the non-Debtor party to an applicable Executory Contract or Unexpired Lease shall be deemed to have consented to the Cure amount and shall be forever barred from asserting, collecting, or seeking to collect any additional amounts relating thereto against the Debtors or the Reorganized Debtors, or the property of any of them.

(f) **Cure Objections.** If a proper and timely objection to the Cure Notice or proposed Cure was filed by the Cure Objection Deadline, the Cure shall be equal to (i) the amount agreed to between the Debtors or Reorganized Debtors, as applicable, and the applicable counterparty, or, (ii) to the extent the Debtors or Reorganized Debtors and counterparty do not reach an agreement regarding any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. Objections, if any, to the proposed assumption and/or Cure must be in writing, filed with the Bankruptcy Court and served in hard-copy form on the parties identified in the Cure Notice so that they are actually received by the Cure Objection Deadline.

(g) **Hearing with Respect to Objections.** If an objection to the proposed assumption and/or to the Cure is timely filed and received in accordance with the procedures set forth in Article 7.2(f) of the Plan, and the parties do not reach a consensual resolution of such objection, a hearing with respect to such objection shall be held at such time scheduled by the Bankruptcy Court or the Debtors or Reorganized Debtors. Objections to the proposed Cure or assumption of an Executory Contract or Unexpired Lease will not be treated as objections to Confirmation of the Plan.

(h) **Reservation of Rights.** Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the

assumption of any Executory Contract or Unexpired Lease and provide a new notice amending the information provided in the applicable notice. In the case of an Executory Contract or Unexpired Lease designated for assumption that is the subject of a Cure Objection which has not been resolved prior to the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may designate such Executory Contract or Unexpired Lease for rejection at any time prior to the payment of the Cure.

3. Contracts and Leases Entered into After the Petition Date

Contracts and leases entered into after the Petition Date by the Debtors, and any Executory Contracts and Unexpired Leases assumed by the Debtors, may be performed by the Reorganized Debtors in the ordinary course of business and in accordance with the terms thereof.

4. General Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the 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 the Reorganized Debtors, or any of their Affiliates, 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 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

I. Procedures for Resolving Disputed Claims and Interests

1. Determination of Claims and Interests

After the Effective Date, the Reorganized Debtors shall have and retain any and all rights, claims, causes of action, and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to Article 6.17 of the Plan, except with respect to any Causes of Action expressly released under the Plan.

Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim or Interest shall become an Allowed Claim or Allowed Interest unless and until such Claim or Interest is deemed Allowed by the Debtors or the Reorganized Debtors in their sole discretion (including by written agreement with the affected Creditor) or the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing such Claim or Interest. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties. For the avoidance of doubt, any Claim determined and liquidated pursuant to (a) an order of the Bankruptcy Court, (b) applicable non-bankruptcy law (which determination has not been stayed, reversed, or amended and as to which determination or any revision, modification, or amendment thereof as to which the time to appeal or seek review or rehearing has expired and no appeal or petition for review or rehearing was filed or, if filed, remains pending), or (c) an agreement with

the Debtors or the Reorganized Debtors as set forth herein shall be deemed an Allowed Claim in such liquidated amount and satisfied in accordance with the Plan.

Nothing contained in Article 8.1 of the Plan shall constitute or be deemed a waiver of any claim, right, or Cause of Action that the Debtors or the Reorganized Debtors may have against any Entity in connection with or arising out of any Claim, including any rights under section 157(b) of title 28 of the United States Code.

2. Claims Administration Responsibility

Except as otherwise specifically provided for in the Plan, after the Effective Date, the Reorganized Debtors shall retain responsibility for and have authority to (a) administer, dispute, object to, compromise, or otherwise resolve all Claims against, and Interests in, the Debtors, including (i) filing, withdrawing, or litigating to judgment objections to Claims or Interests, (ii) settling or compromising any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (iii) administering and adjusting the claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court, and (b) making distributions (if any) with respect to all Claims. After the Effective Date, the Reorganized Debtors shall be entitled to settle any Claim by written agreement with the claimholder, without any further notice to or action, order, or approval by the Bankruptcy Court, and the Claims, Noticing, and Solicitation Agent shall be entitled to rely on the Reorganized Debtors' representation and adjust the claims register accordingly.

3. Objections to Claims

Unless otherwise extended by the Bankruptcy Court, any objections to Claims (other than Administrative Claims) shall be served and filed on or before the Claims Objection Deadline (or such later date as may be established by the Bankruptcy Court upon request of the Reorganized Debtors without further notice to parties-in-interest). Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the Holder of the Claim if the Debtors or the Reorganized Debtors effect service in any of the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, (b) to the extent counsel for a Holder of a Claim or Interest is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address), or (c) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the Holder of the Claim in the Chapter 11 Cases and has not withdrawn such appearance.

4. Expungement or Adjustment of Claims Without Objection

Any Claim that has been fully or partially paid, satisfied, or superseded may be expunged or adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. Any claim that has been amended (by agreement between the Reorganized Debtor and the affected Creditor, or

otherwise) may be adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. The Reorganized Debtors are authorized to take the foregoing actions without requiring that a claims objection be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

5. Disallowance of Claims

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO, 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 SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

Nothing herein shall in any way alter, impair, or abridge the legal effect of the Bar Date Order, or the rights of the Debtors, the Reorganized Debtors, the Creditors' Committee before the Effective Date, or other parties in interest to object to Claims on the grounds that they are time barred or otherwise subject to disallowance or modification. Nothing in the Plan shall preclude amendments to timely filed Proofs of Claim to the extent permitted by applicable law; provided, however that any such amendments that are filed after the Effective Date, shall require permission from the Bankruptcy Court, unless such requirement is expressly waived by the Reorganized Debtors.

All Claims of any Entity from which property is sought by the Debtors under Bankruptcy Code sections 542, 543, 550, or 553 or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under Bankruptcy Code sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) shall be disallowed if (a) the Entity, on the one hand, and the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

6. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate a Claim pursuant to Bankruptcy Code section 502(c) for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Disputed Claim, including during the litigation of any objection to any Disputed Claim or during the pendency of any appeal relating to such objection. In the event that the Bankruptcy Court estimates any Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), without prejudice to the Holder of such Claim's right to request that estimation should be for the purpose of determining

the Allowed amount of such Claim, and the Reorganized Debtors may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. All estimation procedures set forth in the Plan shall be applied in accordance with Bankruptcy Code section 502(c). Disputed Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Plan or the Bankruptcy Court.

7. No Interest on Disputed Claims

Unless otherwise specifically provided for in the Plan or as otherwise required by Bankruptcy Code section 506(b), postpetition interest shall not accrue or be paid on Claims or Interests, and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any Claim or Interest. Additionally, and without limiting the foregoing, unless otherwise specifically provided for in the Plan or as otherwise required by Bankruptcy Code section 506(b), interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made, when and if such Disputed Claim becomes an Allowed Claim. For the avoidance of doubt, the Prepetition Credit Agreement Secured Claims, Bridge Facility Claims, and DIP Facility Claims are not Disputed Claims.

8. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein, a Claim may not be amended without the authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such authorization is not received, any such new or amended Claim shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court. On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such authorization is not received, any such new or amended Claim filed shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court.

J. Provisions Governing Distributions

1. Time of Distributions

Except as otherwise provided for herein or ordered by the Bankruptcy Court, distributions under the Plan shall be made on the later of (a) Initial Distribution Date or (b) on the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Claim is Allowed or (ii) 30 days after the date when a Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Claim; provided, however, that the Reorganized Debtors may, in their sole discretion, make one-time distributions on a date that is not a Periodic Distribution Date.

2. Currency

Except as otherwise provided in the Plan or Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed

converted to the equivalent U.S. dollar value using the exchange rate as of Effective Date at 4:00 p.m. prevailing Eastern Time, mid-range spot rate of exchange for the applicable currency as published in the next The Wall Street Journal, National Edition following the Effective Date.

3. Distribution Agent

Except as otherwise provided herein, all distributions under the Plan shall be made by the Distribution Agent, or by such other Entity designated by the Reorganized Debtors as the Distribution Agent on the Effective Date. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of the Reorganized Debtors' duties as Distribution Agent unless otherwise ordered by the Bankruptcy Court. The Distribution 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 Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof. If the Distribution Agent is an entity other than the Reorganized Debtors, such entity shall be paid its reasonable fees and expenses, including the reasonable fees and expenses of its attorneys or other professionals.

4. Distributions on Account of Claims Allowed After the Effective Date

(a) **No Distributions Pending Allowance.** No payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order of the Bankruptcy Court, and the Disputed Claim has become an Allowed Claim. **Special Rules for Distributions to Holders of Disputed Claims.** All distributions made pursuant to the Plan on account of a Disputed Claim that is later deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to Holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account to such Allowed Claims unless required under applicable bankruptcy law. Delivery of Distributions

(a) **Record Date for Distributions.** On the Distribution Record Date, the claims register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record Holders listed on the claims register as of the close of business on the Distribution Record Date. The Agents shall have no obligation to recognize any transfer of any Prepetition Credit Agreement Secured Claims, Hedging Agreement Secured Claims, Prepetition Credit Agreement Deficiency Claims, Hedging Agreement Deficiency Claims, or DIP Facility Claims occurring after the close of business on the Distribution Record Date and shall instead be entitled to recognize and deal for all purposes under the Plan with only those Holders of record as of the close of business on the Distribution Record Date.

(b) **Cash Distributions.** Distributions of Cash may be made either by check drawn on a domestic bank or wire transfer from a domestic bank, at the option of the

Reorganized Debtors, except that Cash payments made to foreign Creditors may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

(c) **Address for Distributions.** Distributions to Holders of Allowed Claims shall be made by the Distribution Agent (i) at the addresses set forth on the Proofs of Claim filed by such Holders of Claims (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors or the Distribution Agent have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address. The Debtors, the Reorganized Debtors, and the Distribution Agent shall not incur any liability whatsoever on account of any distributions under the Plan.

(d) **Undeliverable Distributions.** If any distribution to a Holder of a Claim is returned as undeliverable, no further distributions to such Holder of such Claim shall be made unless and until the Distribution Agent is notified of then-current address of such Holder of the Claim, at which time all missed distributions shall be made to such Holder of the Claim without interest, dividends, or accruals of any kind on the next Periodic Distribution Date. Amounts in respect of undeliverable distributions shall be returned to the Reorganized Debtors until such distributions are claimed.

(e) **Reversion.** Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after such distribution shall be deemed unclaimed property under Bankruptcy Code section 347(b) and such Unclaimed Distribution shall revert to and vest in the Reorganized Debtors free of any restrictions thereon, and to the extent such Unclaimed Distribution is New Holdings Equity, shall be deemed cancelled. Upon vesting, the Claim of any Holder or successor to such Holder with respect to such property shall be cancelled, discharged, and forever barred, notwithstanding federal or state escheat, abandoned, or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable distributions and Unclaimed Distributions shall apply with equal force to distributions that are issued by the Reorganized Debtors or the Distribution Agent made pursuant to any note, indenture, or certificate (but only with respect to the initial distribution to Holders that are entitled to be recognized under the relevant note, indenture, or certificate and not with respect to Entities to whom those recognized Holders distribute), notwithstanding any provision in such note, indenture, or certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned, or unclaimed property law.

(f) **De Minimis Distributions.** Notwithstanding any other provision of the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make a distribution on account of an Allowed Claim if (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has a value less than \$100,000; provided that the Reorganized Debtors shall make, or cause to be made, a distribution on a Periodic Distribution Date of less than \$100,000 if the Reorganized Debtors expect that such Periodic Distribution Date shall be the final Periodic Distribution Date; or (ii) the amount to be distributed to the specific Holder of the Allowed Claim on the particular

Periodic Distribution Date does not both (x) constitute a final distribution to such Holder and (y) have a value of at least \$50.00.

(g) **Fractional Distributions.** Notwithstanding any other provision of the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make partial distributions or distributions of fractional membership units of New Holdings Equity, or distributions or payments of fractions of dollars. Whenever any payment or distribution of a fractional membership unit of New Holdings Equity under the Plan would otherwise be called for, such fraction shall be deemed zero. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

6. Accrual of Dividends and Other Rights

For purposes of determining the accrual of dividends or other rights after the Effective Date, New Holdings Equity shall be deemed distributed as of the Effective Date regardless of the date on which it is actually issued, dated, authenticated, or distributed; provided, however, the Reorganized Debtors shall not pay any such dividends or distribute such other rights, if any, until after distributions of New Holdings Equity actually take place.

7. Compliance Matters

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

8. Claims Paid or Payable by Third Parties

The Claims, Noticing, and Solicitation Agent shall reduce in full a Claim to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not the Debtors or the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court. 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 the Debtors or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution under the Plan to the Reorganized Debtors, 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.

9. Setoffs and Recoupment

Except as otherwise expressly provided for in the Plan and except with respect to any DIP Facility Claims, Prepetition Credit Agreement Secured Claims, and any distribution on account thereof, the Reorganized Debtors pursuant to the Bankruptcy Code (including Bankruptcy Code section 553), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against or recoup from any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Reorganized Debtors of any such Claims, rights, and Causes of Action that the Reorganized Debtors may possess against such Holder.

10. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for federal income tax purposes to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

K. Effect of the Plan on Claims and Interests

1. Vesting of Assets

Except as otherwise explicitly provided in the Plan, on the Effective Date, all property comprising the Estates (including Causes of Action, but excluding property that has been abandoned pursuant to an order of the Bankruptcy Court) shall vest in Reorganized Ryckman (and the equity in Reorganized Ryckman shall vest in Reorganized Holdings) free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests. As of and following the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property and settle and compromise Claims, Interests, or Causes of Action without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

2. Discharge of the Debtors

Pursuant to Bankruptcy Code section 1141(d), except as otherwise specifically provided in the Plan or the Confirmation Order, and effective as of the Effective Date: (a) the distributions and rights that are provided in the Plan, if any, and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and causes of action (whether known or unknown, including any interest accrued on such Claims from and after the Petition Date) against, liabilities of, Liens on, obligations of, rights against, and 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, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), in each case whether or not (i) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed under Bankruptcy Code section 501, (ii) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under Bankruptcy Code section 502, or (iii) the Holder of such a Claim, right, or Interest accepted the Plan; (b) the Plan shall bind all Holders of Claims and Interests notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or 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. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

3. Compromises and Settlements

The Plan is intended to incorporate the agreements reached in the Plan Support Agreement (including the Plan Support Agreement Term Sheet). Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various (a) Claims or Interests and (b) Causes of Action that the Debtors have against other Entities up to the Effective Date. After the Effective Date, any such right shall pass to the Reorganized Debtors as contemplated in Article 10.1 of the Plan, without the need for further approval of the Bankruptcy Court. Pursuant to Bankruptcy Code section 363 and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan or any distribution to be made on account of an Allowed Claim, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests, and is fair, equitable, and reasonable.

4. Release by Debtors

Pursuant to Bankruptcy Code section 1123(b), as of the Effective Date, the Debtors and their Estates, the Reorganized Debtors, and each of their respective current and former Affiliates shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being

asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, the Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, nothing in Article 10.4 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to Bankruptcy Code section 1141(d).

5. Release by Holders of Claims and Interests

As of the Effective Date, the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Debtors, the Reorganized Debtors, their Estates, non-Debtor Affiliates, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, the Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, upon any

other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, except as expressly provided herein, nothing in Article 10.5 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to Bankruptcy Code section 1141(d).

6. Exculpation and Limitation of Liability

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any Exculpated Claim; provided, however, that the foregoing “exculpation” 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 gross negligence or willful misconduct.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including with regard to the distributions of the New Holdings Equity and the New Ryckman Common Units pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

7. Indemnification Obligations

From and after the Effective Date, any obligations or rights of any Debtor to indemnify, defend, or advance expenses to its present and former directors, officers, employees, agents, representatives, or other Indemnitees under any Debtor’s certificate of incorporation, certificate of formation, bylaws, operating agreement, other corporate governance documents, employee indemnification policy, or under state law, or any agreement with respect to any claim, demand, suit, cause of action, or proceeding related to such person’s service with, for, or on behalf of any of the Debtors prior to the Effective Date shall be nullified and rejected as of the Effective Date, and the Reorganized Debtors’ shall not be required to indemnify, defend, or advance expenses to any such party or Indemnitee for any such obligations (including Indemnification Obligations) based on claims, transactions, events, or occurrences occurring prior to the Effective Date. The treatment of Indemnification Obligations in Article 10.7 and under the Plan shall be in complete satisfaction, discharge, and release of any such indemnity claims or Indemnification Obligations, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of the Plan.

8. Injunction

The satisfaction, release, and discharge pursuant to Article X shall act as an injunction, from and after the Effective Date, against any Entity (a) commencing or

continuing in any manner or in any place, any action, employment of process, 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, in each case with respect to any Claim, Interest, or Cause of Action satisfied, released or to be released, exculpated or to be exculpated, or discharged under the Plan or pursuant to the Confirmation Order and to the fullest extent authorized or provided by the Bankruptcy Code, including to the extent provided for or authorized by sections 524 and 1141 thereof; provided, however, that nothing contained herein shall preclude such Entities from exercising their rights pursuant to and consistent with the terms of the Plan or the Confirmation Order.

9. Subordination Rights

(a) All Claims and all rights and claims between or among Holders of Claims relating in any manner whatsoever to distributions on account of Claims or Interests, based upon any claimed subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the distributions under the Plan to Holders of Claims having such subordination rights, and such subordination rights shall be deemed waived, released, discharged, and terminated as of the Effective Date. Except as otherwise specifically provided for in the Plan, distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

(b) Except as otherwise provided in the Plan, including Article 10.4 and Article 10.6, the right of the Debtors or the Reorganized Debtors to seek subordination of any Claim or Interest pursuant to Bankruptcy Code section 510 is fully reserved, and the treatment afforded any Claim or Interest that becomes a subordinated Claim or Interest at any time shall be modified to reflect such subordination. Unless the Plan or the Confirmation Order otherwise provide, no distributions shall be made on account of a Claim subordinated pursuant to this Article 10.9(b) unless ordered by the Bankruptcy Court.

10. Protection Against Discriminatory Treatment

Consistent with Bankruptcy Code section 525 and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another entity with whom the Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11, have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

11. Release of Liens

(a) On the Effective Date, all Liens and security interests of the Prepetition Agent and Prepetition Lenders securing the obligations under the Prepetition Credit Agreement and other Prepetition Loan Documents shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Holders of the New Notes, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the New Notes, and shall not enhance or alter the proposed priority or treatment of any Liens securing the New Notes described herein.

(b) On the Effective Date, all Liens and security interests of the DIP Agent and DIP Lenders securing the DIP Facility shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Exit Lenders, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the Exit Facility.

(c) Except as otherwise provided in the Plan, including in (a) and (b) above, 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 any property of the Estates shall be fully released, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns. Notwithstanding the above, nothing in the Plan or the Confirmation Order shall release any deed restriction, easements, or institutional control that runs with the land under environmental law.

12. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an entity pursuant to Bankruptcy Code section 502(e)(1)(B), then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed notwithstanding Bankruptcy Code section 502(j), unless prior to the Effective Date (1) such Claim has been adjudicated as noncontingent or (2) the relevant Holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of the Plan.

L. Conditions Precedent

1. Conditions to the Effective Date of the Plan

The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.2 of the Plan:

(a) the Plan and Plan Transaction Documents shall be in a form and substance consistent in all material respects with the Plan Support Agreement;

(b) the Bankruptcy Court shall have entered the Disclosure Statement Order, and such order shall be a Final Order;

(c) the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the Required Consenting Parties, and such order shall be a Final Order;

(d) the Debtors (i) shall have obtained the Exit Facility, (ii) shall have executed and delivered the documentation governing the Exit Facility, which Exit Facility shall close substantially contemporaneously with the Effective Date, and (iii) all conditions to effectiveness of the Exit Facility shall have been satisfied or waived (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

(e) the New Corporate Governance Documents shall have been adopted and (where required by applicable law) filed with the applicable authorities of the relevant jurisdictions of organization and shall have become effective in accordance with such jurisdiction's corporation, limited liability company, or alternative comparable laws, as applicable;

(f) all authorizations, consents, certifications, approvals, rulings, no action letters, opinions, or other documents or actions required by any law, regulation, or order to be received or to occur in order to implement the Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors;

(g) all other document and agreements necessary to implement the Plan on the Effective Date shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred;

(h) all statutory fees and obligations then due and payable to the Office of the United States Trustee shall have been paid and satisfied in full.

2. Waiver of Conditions Precedent

The conditions set forth in Article 11.1 of the Plan may be waived, in whole or in part, by the Debtors or the Required Consenting Parties, without any notice to any other parties in interest or the Bankruptcy Court and without a hearing.

3. Notice of Effective Date

The Reorganized Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in Article 11.1 of the Plan have been satisfied or waived pursuant to Article 11.2 of the Plan.

4. Effect of Non-Occurrence of Conditions to Consummation

If prior to consummation of the Plan, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of the Debtors or any other Entity, or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtors or any other Entity.

M. Retention of Jurisdiction

Pursuant to Bankruptcy Code sections 105(a) and 1142, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

(a) resolve any matters related to Executory Contracts and Unexpired Leases, including: (i) the assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear and determine the allowance of Claims resulting therefrom including the amount of Cure, if any, required to be paid; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors' amendment, modification, or supplement after the Effective Date, pursuant to Article VII of the Plan, of the lists of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (iv) any dispute regarding whether a contract or lease is or was executory or expired;

(b) adjudicate any and all adversary proceedings, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases, the Plan, or that were the subject of proceedings before the Bankruptcy Court, prior to the Effective Date, proceedings to adjudicate the allowance of Disputed Claims and Disputed Interests, and all controversies and issues arising from or relating to any of the foregoing;

(c) ensure that distributions to Holders of Allowed Claims are accomplished as provided herein and adjudicate any and all disputes arising from or relating to distributions under the Plan;

(d) allow in whole or in part, disallow in whole or in part, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including hearing and determining any and all objections to the allowance or estimation of Claims or Interests filed and adjudicating any disputes between Creditors regarding priority or rights to payment or turnover of consideration distributed pursuant to the Plan, both before and after the Confirmation Date, including any objections to the classification of any Claim or Interest, and the resolution of request for payment of any Administrative Claim;

(e) hear and determine or resolve any and all matters related to Causes of Action;

(f) enter and implement such orders as may be appropriate if the Confirmation Order is for any reason stayed, revoked, modified, and/or vacated;

(g) issue and implement orders in aid of execution, implementation, or consummation of the Plan;

(h) consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(i) hear and determine all applications for allowance of compensation and reimbursement of Professional Claims under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4);

(j) determine requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a)(1), including compensation and reimbursement of expenses of parties entitled thereto;

(k) adjudicate, decide, or resolve any and all matters related to Bankruptcy Code section 1141;

(l) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan and disputes arising in connection with any Entity's obligations incurred in connection with the Plan;

(m) hear and determine all suits or adversary proceedings to recover assets of the Debtors and property of their Estates, wherever located;

(n) hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code sections 346, 505, and 1146;

(o) resolve any matters relating to the pre- and post-confirmation sales of the Debtors' assets;

(p) grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to Bankruptcy Code section 365(d)(4);

(q) hear any other matter not inconsistent with the Bankruptcy Code;

(r) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(s) enter a final decree closing any and all of the Chapter 11 Cases;

(t) enforce all orders previously entered by the Bankruptcy Court; and

- (u) hear and determine all matters relating to any Subordinated Claim.

From the Confirmation Date through the Effective Date, the Bankruptcy Court shall retain jurisdiction with respect to each of the foregoing items and all other matters that were subject to its jurisdiction prior to the Confirmation Date; provided, however, that the Bankruptcy Court shall not have nor retain exclusive jurisdiction over any post-Effective Date agreement, including but not limited to any of the Exit Facility Documents or the New Notes. Nothing contained herein shall be construed to increase, decrease, or otherwise modify the independence, sovereignty, or jurisdiction of the Bankruptcy Court.

N. Miscellaneous Provisions

1. Binding Effect

Upon the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, all current and former Holders of Claims, all current and former Holders of Interests, and all other parties-in-interest and their respective heirs, successors, and assigns.

2. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code, as of the entry of the Confirmation Order as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. The Reorganized Debtors shall continue to pay fees pursuant to section 1930 of title 28 of the United States Code until the Chapter 11 Cases are closed by entry of the Inactive Debtors Final Decree (as to the Inactive Debtors) and a final decree as to Ryckman. Furthermore, following entry of the Confirmation Order, the Reorganized Debtors shall continue to file quarterly reports in compliance with Bankruptcy Rule 2015(a)(5), which such reports shall not purport to be prepared in accordance with GAAP and may not be construed as reports filed under the Exchange Act.

3. Modification and Amendments

Subject to the terms and conditions of the Plan Support Agreement, the Debtors may alter, amend, or modify, in a manner consistent with the Plan Support Agreement, the Plan under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in Bankruptcy Code section 1101(2), the Debtors may under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan.

4. Confirmation of the Plan

The Debtors request Confirmation of the Plan under Bankruptcy Code section 1129(b) with respect to any Impaired Class that does not accept the Plan pursuant to Bankruptcy Code section 1126. The Debtors reserve the right to amend the Plan to any extent, if any, that Confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

5. Additional Documents

On or before the Effective Date, in each case subject to the terms of the Plan Support Agreement, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, and Holders of Claims receiving distributions pursuant to the Plan 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 provision and intent of the Plan.

6. Dissolution of Creditors' Committee

Effective on the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon their members, professionals, and agents shall be released from any further duties, responsibilities, and liabilities in the Chapter 11 Cases and under the Bankruptcy Code, provided that obligations arising under confidentiality agreements, joint interest agreements, and protective orders entered during the Chapter 11 Cases shall remain in full force and effect according to their terms. The Creditors' Committee may make applications for Professional Claims. The Professionals retained by the Creditors' Committee and the respective members of the Creditors' Committee shall not be entitled to compensation and reimbursement of expenses for services rendered after the Effective Date, provided, however, notwithstanding the foregoing, the Professionals retained by the Creditors' Committee shall be entitled to submit invoices for compensation and reimbursement of expenses for time spent with respect to applications for the allowance of compensation and reimbursement of expenses filed after the Effective Date and have such allowed amounts paid from the Holdback Escrow Account consistent with the procedures for payment from the Holdback Escrow Account set forth in the Plan.

7. Revocation, Withdrawal, or Non-Consummation

(a) **Right to Revoke or Withdraw.** The Debtors reserve the right to revoke or withdraw the Plan in a manner consistent with the Plan Support Agreement at any time prior to the Effective Date and file subsequent chapter 11 plans.

(b) **Effect of Withdrawal, Revocation, or Non-Consummation.** If the Debtors revoke or withdraw the Plan prior to the Effective Date, or if the Confirmation Date or the Effective Date does not occur, then the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims or the allocation of the distributions to be made hereunder), the assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be null and void in all respects. In such event, nothing contained herein or in the Disclosure Statement, and no acts taken in preparation for consummation of the Plan, shall be deemed to constitute a waiver or release of any Claims, Interests, or Causes of Action by or against the Debtors or any other Entity, to prejudice in any manner the rights and defenses of the Debtors, the Holder of a Claim or Interest, or any Entity in any further proceedings involving the Debtors, or to constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

8. Notices

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered on the Parties below shall be served as follows:

If to the Debtors or the Reorganized Debtors:

Ryckman Creek Resources, LLC
3 Riverway, Suite 1100
Houston, TX 77056
Attention: General Counsel

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
155 N. Wacker Drive
Suite 2700
Chicago, IL 60610
Attention: George N. Panagakis
 Jessica S. Kumar

-and-

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899
Attention: Sarah E. Pierce

If to the DIP Agent or the Agent for the Exit Facility:

1325 Avenue of the Americas, 6th Floor
New York, New York 10019
Attention: Patrick Kennedy

With a copy to:

1325 Avenue of the Americas, 11th Floor
New York, New York 10019
Attention: Cheryl LaBelle
 Hans Beekmans

With a copy to:

Holland & Knight LLP
200 Crescent Court
Suite 1600
Dallas, Texas 75201
Attention: Robert W. Jones
Brent McIlwain

If to the Office of the United States Trustee:

Office of the United States Trustee for the District of Delaware
Room 2207, Lockbox 35
844 North King Street
Wilmington, Delaware 19801
Attention: Richard Schepacarter

9. Term of Injunctions of Stays

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

10. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York shall govern the construction and implementation of the Plan, any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control). Corporate governance matters shall be governed by the laws of the state of formation of the applicable Reorganized Debtor.

11. Entire Agreement

Except as otherwise indicated, the Plan supersedes 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.

12. Severability

If, prior to Confirmation, any term or provision of the 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; provided, however, that any such revision, amendment, or modification must be consistent with the Plan Support Agreement. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the 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 the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms, (b) integral to the Plan and may not be deleted or modified without the Debtors' consent, and (c) nonseverable and mutually dependent.

13. No Waiver or Estoppel

Upon the Effective Date, each Holder of a Claim or Interest shall be deemed to have waived any right to assert that its Claim or Interest should be Allowed in a certain amount, in a certain priority, be secured, or not be subordinated by virtue of an agreement made with the Debtors and/or their counsel, the Creditors' Committee and/or its counsel, or any other party, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court.

14. Conflicts

In the event that the provisions of the Disclosure Statement and the provisions of the Plan conflict, the terms of the Plan shall govern.

ARTICLE VII.

STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

A. The Confirmation Hearing

Bankruptcy Code section 1128(a) provides that the Bankruptcy Court, after notice, may conduct the Confirmation Hearing to consider Confirmation of the Plan. Bankruptcy Code section 1128(b) provides that any party in interest may object to Confirmation of the Plan.

B. Confirmation Standards

The following requirements must be satisfied under Bankruptcy Code section 1129(a) before the Bankruptcy Court may confirm a plan of reorganization.

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the Plan have complied with the applicable provisions of the Bankruptcy Code.

3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the proponent, by a Debtor, or by a person issuing securities or acquiring property under a Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
5. The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an Affiliate of the Debtors participating in a joint Plan with a Debtor or a successor to a Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of Creditors and Holders of Interests and with public policies.
6. The proponent of the Plan has disclosed the identity of any Insider that will be employed or retained by the Reorganized Debtors and the nature of any compensation for such insider.
7. Any governmental regulatory commission with jurisdiction, after Confirmation, over the rates of the Debtor has approved any rate change provided for in the Plan.
8. With respect to each Holder within an Impaired Class of Claims or Interests, each such Holder (i) has accepted the Plan or (ii) will receive or retain under the Plan on account of such Claim or Interest property of value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.
9. With respect to each Class of Claims or Interests, such Class (i) has accepted the Plan or (ii) is Unimpaired under the Plan; provided, however, that if the Plan is rejected by an Impaired Class, the Plan may be confirmed if it “does not discriminate unfairly” and is “fair and equitable” as to such Class, is feasible, and is in the “best interests” of Holders of Claims and Interests that are Impaired under the Plan.
10. Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that:
 - with respect to a Claim of a kind specified in Bankruptcy Code sections 507(a)(2) or 507(a)(3), on the Effective Date of the Plan, the Holder of the Claim will receive on account of such Claim Cash equal to the Allowed amount of such Claim, unless otherwise agreed;

- with respect to a Class of Claim of the kind specified in Bankruptcy Code sections 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7), each Holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred Cash payments of a value, on the Effective Date of the Plan, equal to the Allowed amount of such Claim or (ii) if such Class has not accepted the Plan, Cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and
 - with respect to a Priority Tax Claim of a kind specified in Bankruptcy Code section 507(a)(8), the Holder of such Claim will receive on account of such claim deferred Cash payments, over a period not exceeding five years after the date of the order for relief, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.
11. If a Class of Claims is Impaired under the Plan, at least one Class of Claims that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any Insider.
 12. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.
 13. All fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the hearing on Confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.
 14. The Plan provides that following the Effective Date of the Plan, subject to the Reorganized Debtors' rights, if any, under applicable non-bankruptcy law, unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtors shall continue to pay all retiree benefits, as that term is defined in Bankruptcy Code section 1114, at the level established under subsection (e)(1)(B) or (g) of section 1114 of the Bankruptcy Code, at any time prior to Confirmation, for the duration of the period the debtor has obligated itself to provide such benefits.

C. Liquidation Analysis

As described above, Bankruptcy Code section 1129(a)(7) requires that each Holder of an Impaired Claim or Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

Based on the Liquidation Analysis attached hereto as Exhibit C, the Debtors believe that the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be no greater than the value of distributions under the Plan.

As a result, the Debtors believe Holders of Claims and Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

D. Valuation Analysis

THE VALUATION INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN OR OF THE PRICES AT WHICH ANY SUCH SECURITIES MAY TRADE AFTER GIVING EFFECT TO THE TRANSACTIONS CONTEMPLATED BY THE PLAN. THIS VALUATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS.

Solely for purposes of the Plan and the Disclosure Statement, Evercore, as investment banker to the Debtors, has estimated the total enterprise value (the "Total Enterprise Value") and implied equity value (the "Equity Value") of the Reorganized Debtors on a going concern basis.

In estimating the Total Enterprise Value of the Debtors, Evercore met with the Debtors' senior management team to discuss the Debtors' assets, operations and future prospects, reviewed the Debtors' historical financial information, reviewed certain of the Debtors' internal financial and operating data, reviewed the Financial Projections (as defined below), reviewed publicly available third-party information and conducted such other studies, analyses, and inquiries we deemed appropriate.

The valuation information set forth in this section represents a valuation of the Reorganized Debtors based on the application of standard valuation techniques. The estimated values set forth in this section: (i) do not purport to constitute an appraisal of the assets of the Reorganized Debtors; (ii) do not constitute an opinion on the terms and provisions or fairness from a financial point of view to any person of the consideration to be received by such person under the Plan; (iii) do not constitute a recommendation to any Holder of Allowed Claims as to how such person should vote or otherwise act with respect to the Plan; and (iv) do not necessarily reflect the actual market value that might be realized through a sale or liquidation of the Reorganized Debtors.

In preparing the estimates set forth below, Evercore has relied upon the accuracy, completeness, and fairness of financial and other information furnished by the Debtors. Evercore did not attempt to independently audit or verify such information, nor did it perform an independent appraisal of the assets or liabilities of the Reorganized Debtors. Evercore did not

conduct an independent investigation into any of the legal or accounting matters affecting the Debtors, and therefore takes no responsibility and makes no representation as to their impact on the Debtors or the Reorganized Debtors from a financial point of view.

The Debtors' financial projections for the Reorganized Debtors are attached as Exhibit B to the Disclosure Statement (the "Financial Projections"). The estimated values set forth herein assume that the Reorganized Debtors will achieve their Financial Projections in all material respects and will continue as an operating business. Evercore has relied on the Debtors' representation and warranty that the Financial Projections: (i) have been prepared in good faith; (ii) are based on fully disclosed assumptions, which, in light of the circumstances under which they were made, are reasonable; (iii) reflect the Debtors' best currently available estimates and (iv) reflect the good faith judgments of the Debtors. Evercore does not offer an opinion as to the attainability of the Financial Projections. As disclosed in the Disclosure Statement, the future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors and Evercore, and consequently are inherently difficult to project.

This report contemplates facts and conditions known and existing as of June 7, 2016. Events and conditions subsequent to this date, including updated projections, as well as other factors, could have a substantial effect upon the Total Enterprise Value. Among other things, failure to consummate the Plan in a timely manner may have a materially negative effect on the Total Enterprise Value. For purposes of this valuation, Evercore has assumed that no material changes that would affect value will occur between June 7, 2016 and the contemplated Effective Date of August 5, 2016.

The following is a summary of analyses performed by Evercore to arrive at its recommended range of estimated Total Enterprise Value for the Reorganized Debtors and does not purport to be a complete description of all of the analyses and factors undertaken to support Evercore's conclusions. The preparation of a valuation is a complex process involving various determinations as to the most appropriate analyses and factors to consider, and the application of those analyses and factors under the particular circumstances. As a result, the process involved in preparing a valuation report is not readily summarized.

In arriving at its valuation estimate, Evercore did not consider any one analysis or factor to the exclusion of any other analyses or factors. Accordingly, Evercore believes that its analysis and views must be considered as a whole and that selecting portions of its analysis and factors could create a misleading or incomplete view of the processes underlying the preparation of the valuation. Reliance on only one of the methodologies used or portions of the analysis performed could create a misleading or incomplete conclusion as to the estimated Total Enterprise Value.

1. Discounted Cash Flow Analysis

The discounted cash flow ("DCF") analysis estimates the value of the Debtors' business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by a range of discount rates above and below the Debtor's weighted average cost of capital (the "Discount Rate"), as estimated by Evercore based on the capital asset pricing model. The Total Enterprise

Value of the Reorganized Debtors is determined by calculating the present value of the Reorganized Debtors' unlevered after tax free cash flows over the course of the projection period plus an estimate for the value of the Reorganized Debtors beyond the projection period, known as the terminal value. The terminal value is calculated using a range of estimated earnings before interest, taxes and depreciation and amortization expense ("EBITDA") multiples, perpetuity growth rates and multiples of working gas capacity.

Although formulaic methods are used to derive the key estimates for the DCF methodology, their application and interpretation still involve complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors, which in turn affect its cost of capital and terminal multiples.

2. Precedent M&A Transactions Analysis

The precedent M&A transactions analysis estimates the value of a company by examining public and private transactions on both an enterprise and asset level basis. Under this methodology, transaction values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDA and working gas capacity. The Total Enterprise Value is calculated by applying these multiples to the Reorganized Debtors' actual and projected financial and operational metrics. The selection of transactions for this purpose was based upon the type of underground storage facility, geographic location, scale and other characteristics that were deemed relevant. In deriving its valuation ranges, Evercore relied more heavily on the natural gas storage transactions that have occurred since January 2014 due to the deterioration in natural gas storage economics and resulting decline in reservation rates for natural gas storage capacity since that time.

Because no precedent merger or acquisition used in any analysis will be identical to the target transaction, valuation conclusions cannot be based solely on quantitative results. The reasons for, and circumstances surrounding, each acquisition transaction are specific to such transaction, and there are inherent differences between the businesses, operations and prospects of each target. Therefore, qualitative judgments must be made concerning the differences between the characteristics of these transactions and other factors and issues that could affect the price an acquirer is willing to pay in an acquisition. The number of completed transactions for which public data is available also limits this analysis. Furthermore, the data available for all the precedent transactions may have discrepancies due to varying sources of information.

3. Peer Group Trading Analysis

The peer group trading analysis estimates the value of a company based on a relative comparison with other publicly traded entities with similar operating and financial characteristics. Under this methodology, the enterprise value for each selected public entity is determined by examining the trading prices for the equity securities of such entity in the public markets and adding the aggregate amount of outstanding net debt for such entity. Such enterprise values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDA. The Total Enterprise Value is then calculated by applying these multiples to the Reorganized Debtors' actual and projected financial and operational metrics. Although the peer group was compared to the Reorganized Debtors for purposes of this analysis,

no entity used in the peer group trading analysis is identical or directly comparable to the Reorganized Debtors. In order to calculate peer group trading multiples, Evercore relied on publicly available filings with the SEC and equity research analyst estimates. The selection of public comparable entities for this purpose was based upon the amount of natural gas storage capacity owned, percentage of natural gas storage cash flow relative to cash flow from other businesses and the similarity of such other businesses to natural gas storage and other characteristics that were deemed relevant.

The selection of appropriate comparable entities is often difficult, a matter of judgment and subject to limitations due to sample size and the availability of meaningful market-based information. Accordingly, Evercore's comparison of the selected entities to the business of the Reorganized Debtors and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies and the Reorganized Debtors.

4. Total Enterprise Value and Implied Equity Value

As a result of the analysis described herein, Evercore estimates the Total Enterprise Value of the Reorganized Debtors to be approximately \$125 million - \$275 million, with a mid-point of \$200 million. Based on assumed pro forma debt of \$188.6 million as of an assumed Effective Date, the Total Enterprise Value implies an Equity Value range of (\$63.6) - \$86.4 million, with a mid-point of \$11.4 million.

Due to the nature of the natural gas storage industry and the operations of the Ryckman Creek Facility, the valuation of the Storage Facility could be significantly impacted positively or negatively by a variety of factors. Evercore believes that the value of the Storage Facility would be positively impacted by a scenario in which: (i) the Storage Facility operates without further incident and generates interest from potential long-term customers; (ii) the natural gas storage market tightens including increased volatility and larger seasonal differences in natural gas prices; and (iii) demand for natural gas storage capacity increases at the Opal Hub in Uinta County, Wyoming ("Operating Area"). Evercore believes that such a scenario will take time to be realized and could result in a Total Enterprise Value of the Reorganized Debtors of \$175 million to \$275 million or above. There is potential to be above this range under certain circumstances in the future such as natural gas storage margins rising dramatically and/or demand rising dramatically in the Operating Area, but Evercore did not evaluate such circumstances. Evercore believes that the value of the Ryckman Creek Facility would be negatively impacted by a scenario in which: (i) there remains limited confidence from potential long-term firm storage service customers given the lack of significant operating history at the Storage Facility and limited certainty regarding long-term firm storage contracts; (ii) the natural gas market continues to lack volatility or large seasonal differences in natural gas prices; and (iii) there is no increase in demand for natural gas storage capacity in the Operating Area. Evercore would characterize such a scenario as the continuation of the current environment and believes that in such a scenario the Total Enterprise Value of the Reorganized Debtors would be approximately \$125 million to \$175 million.

The preceding analysis estimates a valuation range that is significantly different from the accounting book value of the Debtors' assets. The accounting book value of the Debtors' assets as of December 31, 2015 was approximately \$336.3 million, as disclosed in the Debtors' unaudited financial statements for the period ended on December 31, 2015. Such accounting book value is an accounting balance prepared in accordance with GAAP and is based upon historical costs adjusted for depreciation, depletion, and amortization. Book values of assets prepared in accordance with GAAP generally do not reflect the current performance of the assets or the impact of the commodity price environment and may be materially different from actual value and/or performance of the underlying assets.

E. Financial Feasibility

Bankruptcy Code section 1129(a)(11) requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their business.

The Debtors believe that the Plan meets the feasibility requirement set forth in Bankruptcy Code section 1129(a)(11). The Debtors' management, with the assistance of their advisors, have prepared the Financial Projections for the five months ending December 31, 2016 and the fiscal years ending December 31, 2016 through December 31, 2020. These Financial Projections and the assumptions upon which they are based, are attached hereto as Exhibit B.

In general, as illustrated by the Financial Projections, the Debtors believe that with the significantly deleveraged capital structure provided under the Plan and increased liquidity, the Reorganized Debtors should have sufficient cash flow and availability to make all payments required under the Plan while conducting ongoing business operations. The Debtors believe that confirmation and consummation of the Plan is therefore not likely to be followed by the liquidation or further reorganization of the Reorganized Debtors. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of Bankruptcy Code section 1129(a)(11).

THE FINANCIAL PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE MANAGEMENT BELIEVES THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS, WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS.

The Financial Projections have not been examined or compiled by independent accountants. The Debtors make no representation as to their ability to achieve the projected results. Many of the assumptions on which the projections are based are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. Inevitably, some assumptions will not materialize and

unanticipated events and circumstances may affect the actual financial results. Therefore, the actual results achieved throughout the four-year period of the Financial Projections may vary from the projected results, and the variations may be material. All Holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the Financial Projections are based in connection with their evaluation of the Plan.

F. Acceptance by Impaired Classes

The Bankruptcy Code also requires, as a condition to Confirmation, that each Class of Claims or Interests that is Impaired but still receives distributions under the Plan vote to accept the Plan, unless the Debtors can “cram-down” such Classes, as described below. A Class that is Unimpaired is presumed to have accepted the Plan and, therefore, solicitation of acceptances with respect to such Class is not required. A Class is Impaired unless the Plan leaves unaltered the legal, equitable, and contractual rights to which the Claim or Interest entitles the Holder of such Claim or Interest, or the Debtors cure any default and reinstate the original terms of the obligation.

Under Bankruptcy Code sections 1126(c) and 1126(d) and except as otherwise provided in Bankruptcy Code section 1126(e): (i) an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than half in number of the voting Allowed Claims have voted to accept the Plan and (ii) an Impaired Class of Interests has accepted the Plan if the Holders of at least two-thirds in amount of the Allowed Interests of such Class actually voting have voted to accept the plan.

G. Confirmation Without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows the Bankruptcy Court to confirm the Plan, even if the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class entitled to vote, without counting the vote of any insider, as defined in Bankruptcy Code section 101(31). Bankruptcy Code section 1129(b) permits the Debtors to confirm the Plan, notwithstanding the failure of any Impaired Class to accept the Plan, in a procedure commonly known as “cram-down,” so long as the Plan “does not discriminate unfairly” and is “fair and equitable” as to each Impaired Class that has not accepted the Plan.

1. No Unfair Discrimination

A plan “does not discriminate unfairly” if (i) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class and (ii) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation.

2. Fair and Equitable Treatment

With respect to a dissenting class of claims or interests, the “fair and equitable” standard requires that a plan provide that either the claims or interests in each class received everything to which they are legally entitled or, with respect to unsecured claims, that classes junior in priority to the class receive nothing.

The Bankruptcy Code establishes different “fair and equitable” tests for holders of secured claims, unsecured claims, and interests, which may be summarized as follows:

a. Secured Claims. Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. Unsecured Claims. Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

c. Interests. Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock or (b) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

The Debtors believe that the distributions provided under the Plan satisfy the “fair and equitable” requirements of the Bankruptcy Code. Certain Classes of Claims and Interests will receive no distribution under the Plan and are therefore conclusively deemed to reject the Plan. Accordingly, the Debtors will seek to confirm the Plan under Bankruptcy Code 1129(b) with respect to such Classes. In addition, although the Plan is predicated on the substantial support of certain of the Debtors’ Creditor constituencies, the Debtors reserve the right to seek confirmation of the Plan under Bankruptcy Code section 1129(b) if one or more voting Impaired Classes votes to reject the Plan.

ARTICLE VIII.

PLAN-RELATED RISK FACTORS

As noted above, there can be no guarantee that the assumptions, estimates, and projections underlying the Plan will continue to be accurate or valid at any time after the date hereof. This section of the Disclosure Statement explains that there are certain risk factors that each voting Holder of a Claim should consider in determining whether to vote to accept or reject

the Plan. Accordingly, each Holder of a Claim who is entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or to reject the Plan.

A. General

The Plan sets forth the means for satisfying the Claims against and Interests in each of the Debtors. Certain Claims are not expected to be paid in full. Nevertheless, the reorganization of the Debtors' business and operations under the proposed Plan avoids the potentially adverse impact of the likely increased delays and costs associated with a chapter 7 liquidation of the Debtors. The Plan has been proposed after a careful consideration of all reasonable restructuring alternatives. Despite the risks inherent in the Plan, as described herein, the Debtors believe that the Plan is in the best interests of Creditors when compared to all reasonable alternatives.

B. Plan May Not Be Accepted

There can be no assurance that the requisite acceptances to confirm the Plan will be obtained. Thus, while the Debtors believe the Plan is confirmable under the standards set forth in Bankruptcy Code section 1129, there is no guarantee that the Plan will be accepted by the requisite Classes entitled to vote on the Plan.

C. Certain Bankruptcy Considerations

Even if all voting Impaired Classes vote in favor of the Plan, and even if with respect to any Impaired Class deemed to have rejected the Plan the requirements for "cram-down" (discussed in more detail in Article VII herein) are met, the Bankruptcy Court, which, as a court of equity, may exercise substantial discretion, may choose not to confirm the Plan. Bankruptcy Code section 1129 requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors, and that the value of distributions to dissenting Holders of Claims and Interests will not be less than the value such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, see infra Article X. Although the Debtors believe that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

D. Claims Estimations

1. Generally.

The Debtors reserve the right to object to the amount or classification of any Claim or Interest except any such Claim or Interest that is deemed Allowed under the Plan or except as otherwise provided in the Plan. The estimated Claim amounts set forth herein reflect the Debtors' expectation of the Claims that will ultimately be allowed in each Class. However, there can be no assurance that such estimated Claim amounts are correct or accurate. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual Allowed amount of Claims may vary significantly from those estimated herein.

2. The Debtors may have substantial Other Secured Claims.

The Debtors have estimated that Other Secured Claims in Class 1 will be minimal, based on their review to date of asserted Secured Claims, including those asserted in respect of purported contractors' liens and oil and gas liens under Wyoming law (the "Purported Statutory Lien Claims"). Based on this review, the Debtors believe that few, if any, of the Purported Statutory Lien Claims are properly asserted as Secured Claims and, if agreement cannot be reached with the holders of the Purported Statutory Lien Claims, intend to object to such Claims to reclassify them as General Unsecured Claims. However, the Debtors' legal and factual review is ongoing and there can be no certainty that the Debtors will prevail on any Claims objections. In the event that a substantial amount of the Purported Statutory Lien Claims are determined to be valid Other Secured Claims, the Reorganized Debtors may have insufficient liquidity to satisfy such Claims under the Plan.

E. Risk Factors That May Affect the Recoveries to Class 5 Under the Plan

1. The Debtors cannot guarantee what recovery will be available to Holders of Allowed Claims in Class 5.

Various factors make certainty in Creditor recoveries impossible. With respect to Class 5, the treatment afforded to such Class depends upon whether the Class votes to accept or reject the Plan. In the event Class 5 accepts, the number or amount of Claims in Voting Classes that will ultimately be Allowed will affect the size of each Holder's share of the Contingent Value Rights. In this instance, moreover, recoveries are dependent on the value of the Contingent Value Rights, which is highly uncertain and will depend on a number of future factors, many of which are beyond the Debtors' control. In the event that Class 5 rejects the Plan, the number or amount of Claims in Classes 4 and 5 that will ultimately be Allowed will affect the size of each Holder's share of the Unencumbered Assets. In this instance, moreover, recoveries are dependent on the value of the Unencumbered Assets, which is highly uncertain.

2. Actual amounts of Allowed Claims may differ from the estimated Claims and adversely affect the percentage recovery on certain Claims.

The Claims estimates set forth above are based on various assumptions. The actual amounts of certain Claims may differ significantly from those estimates should one or more of the underlying assumptions prove to be incorrect. Such differences may be material and adversely affect the percentage recovery to Holders of such Allowed Claims under the Plan.

3. The Reorganized Debtors may not achieve projected financial results or meet post-reorganization debt obligations and be able to finance all operating expenses, working capital needs, and capital expenditures.

The Reorganized Debtors may not be able to meet their projected financial results. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, may not be able to meet their operational needs, and may not reach a value in excess of the CVR Threshold. Any one of these failures may preclude the Reorganized

Debtors from, among other things: (i) increasing their current customer base; (ii) taking advantage of future opportunities; (iii) growing their business; or (iv) responding to competitive pressures. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve their projected revenues and cash flows could lead to cash flow and working capital constraints, which may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required. Further, even if the Reorganized Debtors were able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors. Any of these factors may, in turn, reduce or eliminate any value for Holders of Contingent Value Rights Claims. While the Debtors' Financial Projections represent management's view based on current known facts and assumptions about the future operations of the Reorganized Debtors, there is no guarantee that the Financial Projections will be realized. The Debtors do not, as a matter of course, publish their business plans and strategies or forward-looking projections of financial position, results from operations, and cash flows. The Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or projections to the Holders of Claims or Interests, or to include such information in documents required to be filed with the Securities and Exchange Commission, if any, or to otherwise make such information public.

4. The Reorganized Debtors' business is uncertain and unproven.

Due to the nature of the natural gas storage industry and the limited historical operations of the Ryckman Creek Facility, the value of the Reorganized Debtors is highly uncertain. Among other things, the value of the Reorganized Debtors could be negatively impacted in the event that (i) there remains limited confidence from potential long-term firm storage service customers given the lack of significant operating history at the Ryckman Creek Facility and limited certainty regarding long-term firm storage contracts; (ii) the natural gas market continues to lack volatility or large seasonal differences in natural gas prices; or (iii) there is no increase in demand for natural gas storage capacity in the facility's operating area.

F. Bankruptcy-Specific Risk Factors That Could Negatively Impact the Debtors' Business

1. The Company is subject to the risks and uncertainties associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Company's operations and its ability to execute its business strategy will be subject to risks and uncertainties associated with bankruptcy. These risks include:

- the Company's ability to continue as a going concern;
- the Debtors' ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time;

- the Debtors' ability to develop, prosecute, confirm and consummate the proposed plan of reorganization outlined in the Plan Support Agreement or any other plan of reorganization with respect to the Chapter 11 Cases;
- the ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a plan of reorganization, to appoint a United States Trustee, or to convert the Chapter 11 Cases to chapter 7 cases;
- the Company's ability to retain key vendors or secure alternative supply sources;
- the Company's ability to obtain and maintain normal payment and other terms with vendors and service providers;
- the Company's ability to maintain contracts that are critical to its operations;
- the Company's ability to attract, motivate, and retain management and other key employees; and
- the Company's ability to fund and execute its business plan.

2. The Company's businesses could suffer from a long and protracted restructuring.

The Company's future results are dependent upon the successful confirmation and implementation of a plan of reorganization. Failure to obtain this approval in a timely manner could adversely affect its operating results, as its ability to obtain financing to fund operations may be harmed by protracted bankruptcy proceedings. If a liquidation or protracted reorganization were to occur, there is a significant risk that the value of the Company's enterprise would be substantially eroded to the detriment of all stakeholders.

Furthermore, the Company cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even once a plan of reorganization is approved and implemented, the Company's operating results may be adversely affected by the possible reluctance of prospective lenders, customers, or vendors to do business with a company that recently emerged from bankruptcy proceedings.

G. Classification and Treatment of Claims and Interests

Bankruptcy Code section 1122 requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek (i) to modify the Plan to provide for whatever classification might be required for confirmation and (ii) to use the acceptances received from

any Creditor pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such Creditor ultimately is deemed to be a member. Any such reclassification of Creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such Creditor was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, they would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the Claim of any Creditor or equity holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

H. Conditions Precedent to Consummation of the Plan

The Plan provides for certain conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

I. Liquidation Under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and the Debtors' Liquidation Analysis is described herein and attached hereto as Exhibit C.

ARTICLE IX.**CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES²⁵**

The following discussion summarizes certain anticipated U.S. federal income tax consequences of the Plan to the Debtors and certain U.S. Holders (as defined below) of Claims that are entitled to vote to accept or reject the Plan. This discussion is provided for information purposes only and is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), the U.S. Treasury Regulations promulgated thereunder (the “Treasury Regulations”), judicial authorities, and published administrative rules, rulings, and pronouncements of the U.S. Internal Revenue Service (the “IRS”), all as in effect as of the date hereof, and all of which are subject to change or differing interpretations, possibly with retroactive effect.

For purposes of this discussion, the term “U.S. Holder” means a Holder of a Claim or that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States; (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes; or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

This discussion addresses only those U.S. Holders that hold Claims as capital assets within the meaning of the Tax Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of its particular facts and circumstances, or to certain types of U.S. Holders subject to special treatment under the Tax Code (for example, non-U.S. taxpayers, governmental entities and entities exercising governmental authority, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, small business investment companies, subchapter S corporations, persons holding a Claim as part of a hedge, straddle, constructive sale, conversion transaction, or other integrated transaction, U.S. Holders that are, or hold their Claims through, a partnership or other pass-through entity, persons that have a functional currency other than the U.S. dollar, dealers in securities or foreign currencies, employees of the Debtors, and persons who received their claims pursuant to the exercise of an employee stock option or otherwise as compensation). This discussion does not address any aspects of state, local, non-U.S. taxation, or U.S. federal taxation other than income taxation. Additionally, this discussion does not address the U.S. federal income tax consequences to U.S. Holders that are unimpaired under the Plan or U.S. Holders that are not entitled to receive or retain any property under the Plan.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Claims, the U.S. federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A

²⁵ The Debtors are still conducting analysis on U.S. federal income tax planning and consequences.

partnership considering participating in the Plan should consult its tax advisor regarding the consequences to the partnership and its partners of the Plan.

This discussion assumes that the various debt and other arrangements to which any Debtor is a party will be respected for U.S. federal income tax purposes in accordance with their form.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of a final distribution under the Plan. Events occurring after the date of this Disclosure Statement, such as additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any U.S. Holder. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein. Accordingly, each U.S. Holder is strongly urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. tax consequences of the Plan to such U.S. Holder.

A. U.S. Federal Income Tax Consequences to the Debtors

Peregrine Midstream and Ryckman are each currently treated as partnerships for U.S. federal income tax purposes. Each of Rocky Mountains and Holdings is treated as an entity disregarded as separate from its parent for U.S. federal income tax purposes. Accordingly, as described further below, the U.S. federal income tax consequences of the Plan will generally not be borne by the Debtors, but will be borne by the partners of Peregrine Midstream or Ryckman. As a result of the Plan, Peregrine Midstream and Rocky Mountains are expected to dissolve, and no U.S. federal income tax consequences are expected upon the consummation of the dissolution of Rocky Mountains or Peregrine Midstream. In addition, as a result of the transactions contemplated by the Plan, Reorganized Holdings will be treated as a partnership for U.S. federal income tax purposes.

The cancellation of equity interests in Peregrine Midstream and the issuance of equity interests in Reorganized Holdings may result in lower depreciation and amortization deductions available to offset future taxable income. Cancellation of equity interests in Ryckman, and the issuance of equity interests in Reorganized Ryckman solely to Reorganized Holdings, is intended to result in Reorganized Ryckman becoming an entity disregarded from its parent for U.S. federal income tax purposes, and Reorganized Holdings is not expected to recognize gain or loss on such a cancellation and issuance.

As a result of the consummation of the transactions contemplated by the Plan, the Debtors may realize substantial cancellation of indebtedness income (“CODI”), which would be allocated to its partners. Additionally, if a partnership such as Ryckman or Peregrine Midstream

transfers assets in respect of its debt or equity interests as part of the Plan, such a transfer may trigger gain or loss that will be allocated to the holders of equity interests in the partnership.

In general, absent an exception, a taxpayer will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. CODI is taxable as ordinary income. The amount of CODI, in general, is the excess of (i) the adjusted issue price of the indebtedness discharged, over (ii) the sum of (x) the issue price of any new indebtedness of the taxpayer issued, (y) the amount of cash paid, and (z) the fair market value of any other consideration given in exchange for such indebtedness at the time of the exchange (e.g., new equity interests). Where the debtor is a partnership for U.S. federal income tax purposes, such as Ryckman and Peregrine Midstream, such CODI is allocated to its partners, and the partners (rather than the partnership) are subject to tax on such amount.

There are exceptions to the recognition of CODI. For example, a taxpayer is not required to include CODI in gross income if either the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that case, or the taxpayer is insolvent, as specifically defined under the Tax Code, at the time the CODI is triggered. In the case of any entity taxed as a partnership, such as Ryckman and Peregrine Midstream, any exception to the recognition of CODI is applied at the partner level rather than at the entity level. U.S. Holders are urged to consult their tax advisors as to the particular tax consequences to them of the allocation of such CODI, including the ability to offset any such CODI with available losses, if any, and whether or not they may avail themselves of any exception to the recognition of CODI.

B. U.S. Federal Income Tax Consequences to U.S. Holders

1. Consequences to U.S. Holders of Class 3 Claims

Pursuant to the Plan, each U.S. Holder of a Class 3 Prepetition Credit Agreement Secured Claim will receive on account of such Class 3 Claim (i) New Notes and/or (ii) New Holdings Equity, depending on the Subclass of the Class 3 Claim.

A U.S. Holder of a Claim in Subclasses 3-A through 3-F will receive New Notes in exchange for such Claim pursuant to the Plan, and may recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (i) the issue price of the U.S. Holder's New Notes and (ii) the U.S. Holder's adjusted tax basis in the portion of the Claim exchanged therefor. Such gain or loss should be capital in nature (subject to the "accrued interest" and "market discount" rules described below) and should be long-term capital gain or loss if the Claim was held for more than one year by the U.S. Holder.

A U.S. Holder's tax basis in its New Notes received on the Effective Date should generally equal the stated issue price. A U.S. Holder's holding period for its New Notes should begin on the day following the Effective Date.

The issue price of the New Notes will depend on whether a substantial amount of either the New Notes or the Claims for which they are exchanged is considered to be "traded on an established market." In general, a debt instrument will be treated as traded on an established market if, at any time during the 31-day period ending 15 days after the issue date, (i) a "sales

price” for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments; (ii) a “firm” price quote for the debt instrument is available from at least one broker, dealer, or pricing service for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; or (iii) there are one or more “indicative” quotes available from at least one broker, dealer, or pricing service for property. Notwithstanding the preceding rules, a debt instrument will not be treated as traded on an established market if, at the time the determination of the issue price is made, the outstanding stated principal amount of the issue that includes the debt instrument does not exceed \$100 million.

A U.S. Holder of a Claim in Subclasses 3-G through 3-J will receive New Holdings Equity in exchange for such Claim pursuant to the Plan, and generally should not recognize any gain or loss (except to the extent such interests are received with respect to accrued but unpaid interest).

A U.S. Holder of multiple Class 3 Claims that receives both New Notes and New Holdings Equity in exchange for its Claim pursuant to the Plan (i) generally should not recognize any gain or loss on the portion of its Claim for which it receives equity interests in New Holdings Equity (except to the extent such interests are received with respect to accrued but unpaid interest) and (ii) may recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (a) the issue price of the U.S. Holder’s New Notes and (b) the U.S. Holder’s adjusted tax basis in the portion of the Claim exchanged therefor. Such gain or loss should be capital in nature (subject to the “accrued interest” and “market discount” rules described below) and should be long-term capital gain or loss if the Claim was held for more than one year by the U.S. Holder.

Since Reorganized Holdings is expected to be taxed as a partnership for U.S. federal income tax purposes, items of income, gain, loss and deduction of Reorganized Holdings will be allocated to the holders of equity interests in Reorganized Holdings and such holders will take such items into account whether or not Reorganized Holdings makes any distributions to its partners. The resulting tax liability of a partner in respect of such income may exceed the cash that such partner receives from Reorganized Holdings. In addition, tax-exempt and non-U.S. persons may be subject to certain adverse tax consequences from owning and disposing of an equity interest in Reorganized Holdings. Each holder of equity interests in Reorganized Holdings is urged to consult its tax advisor regarding the tax consequences of owning and disposing of equity interests in a partnership. Additionally, Reorganized Holdings is expected to be treated as regularly engaged in a U.S. trade or business, and as a result, ownership of equity interests in Reorganized Holdings may not be appropriate for non-U.S. holders and tax-exempt organizations.

A U.S. Holder’s tax basis in its equity interests in Reorganized Holdings initially will be equal to the tax basis of the Claims exchanged therefor, increased by any accrued interest recognized by such U.S. Holder as a result of having received such equity interests. A U.S. Holder’s tax basis generally will be (i) increased by the U.S. Holder’s share of (a) Reorganized Holdings income, and (b) any increases in such U.S. Holder’s share of Reorganized Holdings liabilities, and (ii) decreased, but not below zero, by the amount of (a) all distributions to the U.S.

Holder from Reorganized Holdings, (b) the U.S. Holder's share of Reorganized Holdings losses, and (c) any decreases in the U.S. Holder's share of Reorganized Holdings liabilities.

2. Consequences to U.S. Holders of Class 4 Claims

Pursuant to the Plan, each U.S. Holder of a Class 4 Prepetition Credit Agreement Deficiency Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets.²⁶ Such U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the cash received and (ii) such U.S. Holder's tax basis in the Claim exchanged therefor. Such gain or loss will constitute long-term capital gain or loss if the U.S. Holder of the Claim held such Claim for longer than one year or short-term capital gain or loss if the U.S. Holder of the Claim held such Claim for less than one year. Long-term capital gains of non-corporate holders are taxed at preferential rates, and capital losses are subject to limitations on deductibility. A portion of the proceeds from the sale of the Unencumbered Assets that is received by U.S. Holders of Class 4 Prepetition Credit Agreement Deficiency Claims in taxable years following the year of the sale of the assets may be recharacterized as deemed interest payments. Such deemed interest would be treated as interest income taxable at ordinary income rates.

3. Consequences to U.S. Holders of Class 5 Claims

Pursuant to the Plan, each U.S. Holder of a Class 5 General Unsecured Claim shall receive on account of such Holder's Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, Contingent Value Rights or (ii) in the event that Class 5 Votes as a Class to reject the Plan, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets. A U.S. Holder that receives proceeds of the Unencumbered Assets will recognize gain or loss in an amount equal to the difference between (i) the cash received and (ii) such U.S. Holder's tax basis in the Claim exchanged therefor. Such Holders would be subject to the same tax consequences as recipients of the proceeds of the Unencumbered Assets described in Article IX.B.2. [For U.S. Holders that receive Contingent Value Rights, we expect that such rights will be treated as equity interests in Reorganized Holdings, and if so, such Holders would be subject to the same tax consequences as Holders of Interests in Reorganized Holdings, described in Article IX.B.1.]

4. Market Discount

The market discount provisions of the Tax Code may apply to U.S. Holders of Claims. Generally, if a U.S. Holder purchased the Claim at a price less than such Claim's principal amount, the difference would constitute "market discount" for federal income tax purposes. In general, a debt obligation other than a debt obligation with a fixed maturity of one year or less that is acquired by a holder in the secondary market (or, in certain circumstances, upon original issuance) is a "market discount bond" as to that holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price)

²⁶ In the event that Class 5 Votes as a Class to accept the Plan, however, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.

exceeds the adjusted tax basis of the bond in the holder's hands immediately after its acquisition. However, a debt obligation will not be a "market discount bond" if such excess is less than a statutory de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the Claim, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity). Any gain recognized by such U.S. Holder on the receipt of cash in respect of its Claim would be treated as ordinary income to the extent of such accrued but unrecognized market discount. In addition, if accrued market discount is not recognized upon the receipt of equity interests in Reorganized Holdings, gain recognized upon a subsequent disposition of such equity interests may be treated as ordinary income to the extent of the accrued market discount not previously recognized.

5. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan comprises indebtedness and accrued but unpaid interest thereon, the Debtors intend to take the position that, for income tax purposes, such distribution shall be allocated to the principal amount of the Allowed Claim first and then, to the extent the consideration exceeds the principal amount of the Allowed Claim, to the portion of such Allowed Claim representing accrued but unpaid interest. No assurances can be made in this regard. If, contrary to the Debtors' intended position, such a distribution were treated as being allocated first to accrued but unpaid interest, a U.S. Holder of such an Allowed Claim would realize ordinary income with respect to the distribution in an amount equal to the accrued but unpaid interest not already taken into income under the U.S. Holder's method of accounting, regardless of whether the U.S. Holder otherwise realized a loss as a result of the Plan. Conversely, a U.S. Holder generally would recognize a deductible loss to the extent that any accrued interest was previously included in its gross income and was not paid in full. To the extent that any portion of the distribution is treated as interest, U.S. Holders may be required to provide certain tax information in order to avoid the withholding of taxes.

C. Information Reporting and Backstop Withholding

Payments with respect to Claims pursuant to the Plan and gains on a future disposition of equity interests in Reorganized Holdings may be subject to information reporting to the IRS and backup withholding at the applicable rate. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds. Each U.S. Holder is strongly urged to consult its tax advisor regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the U.S. Holder's tax returns.

D. Importance of Obtaining Professional Tax Advice

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND DOES NOT CONSTITUTE TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN.

ARTICLE X.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the Plan affords Holders of Claims and Interests the potential for the greatest realization on the Debtors' assets and, therefore, is in the best interests of such Holders. If the Plan is not confirmed, however, the theoretical alternatives include: (i) continuation of the pending Chapter 11 Cases; (ii) sale of the Debtors' assets under Bankruptcy Code section 363; (iii) alternative plan or plans of reorganization; or (iv) liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Continuation of the Bankruptcy Cases

If the Debtors remain in chapter 11, they could continue to operate their business and manage their properties as debtors in possession, but they would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors could survive as a going concern in protracted chapter 11 cases. In particular, the Debtors could have difficulty gaining access to sufficient liquidity to allow them to continue their operations as a going concern. Moreover, protracted chapter 11 proceedings will make it difficult for the Debtors to expand their customer base, which is critical to the ultimate success of the Debtors' business. As further discussed herein, the Debtors believe that they have accomplished the goals that chapter 11 has allowed them to achieve, and that the Company's key remaining challenges are operational and therefore do not require that the Company remain in chapter 11.

B. Sale of Substantially all of the Debtors' Assets Under Bankruptcy Code Section 363

In lieu of the present Plan, the Debtors could sell substantially all of their assets to a buyer under Bankruptcy Code section 363. A section 363 sale would leave a residual estate consisting of the proceeds of the sale and any excluded assets and unassumed liabilities. Following the sale, the Debtors would remain in chapter 11 to administer this residual estate and distribute proceeds to Creditors pursuant to a chapter 11 plan of liquidation or a liquidation pursuant to chapter 7 of the Bankruptcy Code.

The Debtors believe that the Plan represents a superior structure than a sale under Bankruptcy Code section 363. The Debtors believe the Plan provides recoveries equal to or greater than what Creditors would likely achieve in a section 363 sale, but with the advantages of

greater efficiency and greater certainty as to outcome. In particular, an asset sale at this point in the Debtors' operations would likely result in a fairly low value, while the Plan accounts for and enables Creditors to share in the potentially materially greater future value of the Debtors. While the Debtors believe that a section 363 sale remains a viable restructuring option in the event the Plan is not confirmed, the Debtors maintain that the Plan is, for the reasons set forth above, in the best interests of Creditors.

C. Alternative Plans of Reorganization

If the Plan is not confirmed, the Debtors, or, after the expiration of the Debtors' exclusive period in which to propose and solicit a reorganization plan, any other party in interest in the Chapter 11 Cases, could propose a different plan or plans. Additionally, until the Plan is consummated, subject to certain conditions, the Debtors may determine to withdraw the Plan and propose and solicit different reorganization plans. Any such plans proposed by the Debtors or others might involve either a reorganization and continuation of the Debtors' businesses, or an orderly liquidation of its assets, or a combination of both.

Although alternative plans of reorganization are possible, the present Plan is the result of a thorough assessment of restructuring alternatives undertaken in consultation with key stakeholders. Accordingly, the Debtors believe the prospect of an alternative plan of reorganization that delivers greater value to economic stakeholders is remote.

D. Liquidation Under Chapter 7 or Chapter 11

If no plan is confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In chapter 7 cases, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective Holders of Claims or Interests.

However, the Debtors believe that Creditors would lose the materially higher going concern value if the Debtors were forced to liquidate. In addition, the Debtors believe that in liquidation under chapter 7, before Creditors received any distribution, additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants, and other professionals to assist such trustees would cause a substantial diminution in the value of the Estate. The assets available for distribution to Creditors would be reduced by such additional expenses and by claims, some of which would be entitled to priority, which would arise by reason of the liquidation and from the rejection of leases and other executory contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets.

The Debtors may also be liquidated under a chapter 11 plan. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation might result in larger recoveries than a chapter 7 liquidation, but the delay in distributions could result in lower present values received and higher administrative costs. Because a trustee is not required in a chapter 11 case, expenses for professional fees could be lower than in a chapter 7 case, in which a trustee must be appointed. However, any distribution to the Holders of Claims or Interests under a

chapter 11 liquidation plan probably would be delayed substantially. In addition, as with a chapter 7 liquidation, the Debtors believe that Creditors would lose the materially higher going concern value if the Debtors were forced to liquidate under a chapter 11 plan.

The Liquidation Analysis attached hereto as Exhibit C illustrates the recoveries the Debtors anticipate in a liquidation scenario. The Liquidation Analysis is premised upon a hypothetical liquidation in a chapter 7 case. In the Liquidation Analysis, the Debtors have taken into account the nature, status, and underlying value of their assets, the ultimate realizable value of their assets, and the extent to which such assets are subject to liens and security interests. The likely form of any liquidation in a chapter 7 proceeding would be the sale of individual assets. Based on this analysis, it is likely that a chapter 7 liquidation of the Debtor's assets would produce less value for distribution to each class of Creditors than that recoverable under the Plan. In the Debtors' opinion, the recoveries projected to be available in a chapter 7 liquidation are not likely to afford Holders of Claims and Interests as great a realization potential as does the Plan.

ARTICLE XI.

PLAN SUPPLEMENT

Exhibits to the Plan not attached hereto shall be filed in one or more Plan Supplements. Any Plan Supplement (and amendments thereto) filed by the Debtors shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth therein. The Plan Supplements may be viewed at the office of the clerk of the Court or its designee during normal business hours, by visiting the Court's website at www.deb.uscourts.gov (PACER account required) or at the Claims Agent website <http://www.kccllc.net/ryckman>, or by written request to the Claims Agent at:

Kurtzman Carson Consultants LLC
Re: Ryckman Creek Resources, LLC, et al.
2335 Alaska Avenue
El Segundo, California 90245
Attn: Voting Department
Email: RyckmanInfo@kccllc.com
Telephone: (877) 634-7178

The documents contained in any Plan Supplements shall be subject to approval by the Bankruptcy Court pursuant to the Confirmation Order.

ARTICLE XII.

RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtors recommend the Plan because it provides for greater distributions to the Holders of Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation and vote to accept the Plan.

Dated: Houston, Texas
June 8, 2016

Respectfully submitted,

Ryckman Creek Resources, LLC

/s/ Thomas B. Osmun

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Title: Chief Restructuring Officer

Ryckman Creek Resources Holding Company LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Rocky Mountains LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Midstream Partners LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

/s/ Sarah E. Pierce

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Counsel for Debtors and Debtors in Possession

EXHIBIT A

**Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its
Affiliated Debtors and Debtors in Possession**

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

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In re: : Chapter 11

:

RYCKMAN CREEK RESOURCES, LLC, : Case No. 16-10292 (KJC)

et al., :

: Jointly Administered

Debtors.¹ :

----- x

**JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF RYCKMAN CREEK RESOURCES, LLC AND ITS AFFILIATED DEBTORS AND
DEBTORS IN POSSESSION**

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Dated: Wilmington, Delaware
April 11, 2016

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors' corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.

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INTRODUCTION

Ryckman Creek Resources, LLC (“Ryckman”) and certain of its Affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), hereby propose this joint chapter 11 plan of reorganization for the resolution of outstanding Claims and Interests. The Debtors are the proponents of this Plan within the meaning of Bankruptcy Code section 1129. The distributions to be made to Holders of Claims are set forth herein.

Under Bankruptcy Code section 1125(b), a vote to accept or reject this Plan cannot be solicited from a Holder of a Claim or Interest until a disclosure statement has been approved by the Bankruptcy Court and distributed to Holders of Claims and Interests. The Disclosure Statement relating to this Plan was approved by the Bankruptcy Court on [_____] and has been distributed simultaneously with this Plan to all parties whose votes are being solicited. The Disclosure Statement contains, among other things, a discussion of the Debtors’ history, business, properties and operations, risk factors associated with the business and this Plan, a summary and analysis of this Plan, and certain related matters.

ALL HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN.

Subject to the restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Article XIII of this Plan, the Debtors expressly reserve their rights to alter, amend, modify, revoke, or withdraw this Plan, one or more times, prior to this Plan’s substantial consummation.

ARTICLE I

DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME

A. Scope of Definitions

For purposes of this Plan, except as expressly provided otherwise or unless the context requires otherwise, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article I.B of this Plan. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules.

B. Definitions

1.1 “**Administrative Claim**” means a Claim for payment of an administrative expense of a kind specified in Bankruptcy Code section 503(b) and entitled to priority pursuant to Bankruptcy Code section 507(a)(2), including, but not limited to, the actual, necessary costs and expenses, incurred on or after the Petition Date, of preserving the Estates and operating the business of the Debtors, including wages, salaries, or commissions for services rendered after the

commencement of the Chapter 11 Cases, Section 503(b)(9) Claims, DIP Facility Claims (including claims for adequate protection pursuant to the DIP Order), Professional Claims, and all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code.

1.2 “**Administrative Claim Request Form**” means the form to be included in the Plan Supplement for submitting Administrative Claim requests.

1.3 “**Administrative Claims Bar Date**” means the deadline for filing proofs of or requests for payment of Administrative Claims, which shall be 30 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court, and except with respect to (i) DIP Facility Claims, (ii) Professional Claims, (iii) Administrative Claims Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iv) Ordinary Course Administrative Claims, for which the Holders of such Claims (i)-(iv) shall not be required to file an Administrative Claim Request Form.

1.4 “**Administrative Claims Objection Deadline**” means the last day for filing an objection to any request for the payment of an Administrative Claim, which shall be the later of (a) ninety (90) days after the Effective Date or (b) such other date specified in this Plan or ordered by the Bankruptcy Court. The filing of a motion to extend the Administrative Claims Objection Deadline shall automatically extend the Administrative Claims Objection Deadline until a Final Order is entered on such motion. In the event that such motion to extend the Administrative Claims Objection Deadline is denied by the Bankruptcy Court, the Administrative Claims Objection Deadline shall be the later of (i) the current Administrative Claims Objection Deadline (as previously extended, if applicable) or (ii) thirty (30) days after the Bankruptcy Court’s entry of an order denying the motion to extend the Administrative Claims Objection Deadline.

1.5 “**Affiliates**” has the meaning ascribed to such term by Bankruptcy Code section 101(2).

1.6 “**Agents**” means, collectively, the Prepetition Agent and the DIP Agent.

1.7 “**Allowed**” means, as to a Claim or any portion thereof, a Claim or portion of a Claim

(a) that has been allowed by a Final Order, or

(b) as to which no Proof of Claim has been timely filed with the Bankruptcy Court by the Bar Date and (i) the liquidated and noncontingent amount of which is Scheduled other than (x) at zero, (y) in an unknown amount, or (z) as disputed and (ii) no objection to its allowance has been filed, or is intended to be filed by the Debtors or the Reorganized Debtors by the Claims Objection Deadline, or

(c) as to which a Proof of Claim has been timely filed with the Bankruptcy Court by the Bar Date, but only to the extent that such Claim is identified in such Proof of Claim in a liquidated and noncontingent amount (or becomes liquidated or is rendered noncontingent pursuant to the procedures set forth in the Plan), and either (i)

no objection to its allowance has been filed, or is intended to be filed by the Debtors or the Reorganized Debtors, by the Claims Objection Deadline, or (ii) any objection to its allowance has been settled or withdrawn, or has been denied by a Final Order,

(d) with respect to Administrative Claims that are not Professional Fee Claims or DIP Facility Claims, Administrative Claims as to which either (i) a timely Administrative Claim Request Form is filed on or before the Administrative Claims Bar Date, which is not subject to an objection submitted on or before the Administrative Claims Objection Deadline; or (ii) qualify as Ordinary Course Administrative Claims, or,

(e) with respect to Administrative Claims that are Professional Fee Claims, as to which a timely application for allowance of such Professional Fee Claims has been filed with the Bankruptcy Court and allowed by a Final Order of the Bankruptcy Court, or

(f) with respect to DIP Facility Claims, the amount of such DIP Facility Claims, the entire amount of which shall automatically be deemed Allowed without further action by any party, or

(g) that is expressly allowed in a liquidated amount in this Plan.

1.8 “Avoidance Actions” means any and all rights, claims, and causes of action which a trustee, debtor in possession, or other appropriate party in interest would be able to assert on behalf of any of the Estates under applicable state statutes or the avoidance provisions of chapter 5 of the Bankruptcy Code, including actions under one or more of the provisions of Bankruptcy Code sections 544, 545, 547, 548, 550, and 553.

1.9 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the date hereof but, with respect to amendments to the Bankruptcy Code subsequent to commencement of the Chapter 11 Cases, only to the extent that such amendments were made expressly applicable to bankruptcy cases which were filed as of the enactment of such amendments.

1.10 “Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware or such other court as may have jurisdiction over the Chapter 11 Cases.

1.11 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Bankruptcy Rules, as applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

1.12 “Bar Date” means the deadlines set by the Bankruptcy Court pursuant to the Bar Date Order or other Final Order for filing proofs of claim in the Chapter 11 Cases, as the context may require, which was April 11, 2016, except for Governmental Units, for whom the Bar Date is August 1, 2016.

1.13 “Bar Date Orders” means the order entered by the Bankruptcy Court on February 29, 2016 [Docket No. 111], which established the Bar Date, and any subsequent order supplementing such order or relating thereto.

1.14 “Bridge Facility” means that certain debtor-in-possession secured credit facility provided to the Debtors by the Bridge Lender pursuant to the terms and conditions set forth in the Bridge Facility Term Sheet as authorized by the Bankruptcy Court, as may be amended or modified from time to time.

1.15 “Bridge Facility Term Sheet” means the Senior Secured, Super-Priority Debtor-in-Possession Bridge Facility Term Sheet.

1.16 “Bridge Lender” means ING Capital LLC, in its capacity as lender under the Bridge Facility.

1.17 “Business Day” means any day, excluding Saturdays, Sundays, and “legal holidays” (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in New York City.

1.18 “Cash” means legal tender of the United States of America and equivalents thereof.

1.19 “Causes of Action” means any and all actions, claims, proceedings, causes of action, suits, accounts, demands, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, and whether asserted or assertable directly or derivatively, in law, equity, or otherwise, including actions brought prior to the Petition Date, actions under chapter 5 of the Bankruptcy Code, including any Avoidance Actions, and actions against any Entity for failure to pay for products or services provided or rendered by the Debtors, all claims, suits, or proceedings relating to enforcement of the Debtors’ intellectual property rights, including patents, copyrights, and trademarks, and all claims or causes of action seeking recovery of the Debtors’ or the Reorganized Debtors’ accounts receivable or other receivables or rights to payment created or arising in the ordinary course of the Debtors’ or the Reorganized Debtors’ businesses, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.

1.20 “Chapter 11 Cases” means the chapter 11 cases of the Debtors pending in the Bankruptcy Court and being jointly administered under Case No. 16-10292 (KJC).

1.21 “Claim” means any claims against the Debtors, whether or not asserted, as defined in Bankruptcy Code section 101(5), or an Administrative Claim, as applicable.

1.22 “Claims, Noticing, and Solicitation Agent” means Kurtzman Carson Consultants LLC.

1.23 “Claims Objection Deadline” means, as applicable (except for Administrative Claims), (a) the day that is the later of (i) the first Business Day that is at least one (1) year after the Effective Date and (ii) as to proofs of claim filed after the Bar Date, the first Business Day that is at least 180 days after a Final Order is entered deeming the late filed claim timely filed or (b) such later date as may be established by the Bankruptcy Court upon request of the Reorganized Debtors without further notice to parties-in-interest.

1.24 “Class” means a category of Holders of Claims or Interests classified together pursuant to Bankruptcy Code sections 1122 and 1123(a)(1), as described in Article III of this Plan.

1.25 “Confirmation” means the entry, within the meaning of Bankruptcy Rules 5003 and 9012, of the Confirmation Order, subject to all conditions specified having been satisfied or waived.

1.26 “Confirmation Date” means the date on which Confirmation occurs.

1.27 “Confirmation Hearing” means the hearing before the Bankruptcy Court held under Bankruptcy Code section 1128 to consider confirmation of this Plan and related matters, which hearing may be adjourned or continued from time to time.

1.28 “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan under Bankruptcy Code section 1129, which order shall in form and substance be reasonably acceptable to the Debtors and the Required Consenting Parties.

1.29 “Contingent Value Rights” means the contingent value rights, which shall entitle the holders thereof to share proceeds pursuant to the Upside Sharing Grid after achievement of the CVR Threshold.

1.30 “Credit Agreements” means, collectively, the Prepetition Credit Agreement, the Bridge Facility Term Sheet, and the DIP Credit Agreement.

1.31 “Credit Facilities” means, collectively, the credit facilities under the Prepetition Credit Agreement, the Bridge Facility, and the DIP Facility.

1.32 “Creditors’ Committee” means the official committee of unsecured Creditors appointed pursuant to Bankruptcy Code section 1102(a) in the Chapter 11 Cases on February 12, 2016, as may be reconstituted from time to time.

1.33 “Creditor” has the meaning ascribed to such term in Bankruptcy Code section 101(10).

1.34 “Cure” means the payment or other honoring of all obligations required to be paid or honored in connection with assumption of an Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365, including (a) the cure of any non-monetary defaults to the extent required, if at all, pursuant to Bankruptcy Code section 365, and (b) with respect to monetary defaults, the distribution of Cash, or such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court in an amount equal to all unpaid monetary

obligations or such other amount as may be agreed upon by the parties, under such Executory Contract or Unexpired Lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

1.35 “Cure Notice” means the notice of proposed Cure amount provided to counterparties to assumed Executory Contracts or Unexpired Leases pursuant to Article 7.2(e) of this Plan.

1.36 “Cure Objection Deadline” means the deadline for filing objections to a Cure Notice or proposed Cure, which shall be 14 days after the applicable counterparty was served with a Cure Notice, which date shall be set forth in the Cure Notice.

1.37 “CVR Threshold” means the point at which distributions in respect of the then outstanding New Preferred Units first exceed their aggregate liquidation preference.

1.38 “Debtors” means, collectively, Ryckman Creek Resources, LLC; Ryckman Creek Resources Holding Company LLC; Peregrine Rocky Mountains LLC; and Peregrine Midstream Partners LLC.

1.39 “DIP Agent” means ING Capital LLC, in its capacity as administrative agent under the DIP Credit Agreement.

1.40 “DIP Credit Agreement” means that certain Senior Secured Super-Priority Debtor-In-Possession Credit and Security Agreement, dated as of March 24, 2016, by and among Ryckman, each of the lenders party thereto, and the DIP Agent, as amended, supplemented, or otherwise modified from time to time, and all documents executed in connection therewith.

1.41 “DIP Facility” means that certain \$35 million debtor-in-possession secured credit facility provided to the Debtors by the DIP Lenders pursuant to the DIP Credit Agreement as authorized by the Bankruptcy Court pursuant to the DIP Order, as may be amended or modified from time to time.

1.42 “DIP Facility Claim” means any Claim arising under, derived from, based upon, or as a result of the DIP Facility, including all fees and expenses owed under the DIP Facility.

1.43 “DIP Lenders” means the institutions party from time to time as “Lenders” under the DIP Credit Agreement providing the loans made pursuant to the DIP Facility.

1.44 “DIP Order” means that certain final order that was entered by the Bankruptcy Court on March 24, 2016 [Docket No. 195], authorizing and approving the DIP Facility and the agreements related thereto.

1.45 “Disallowed” means (a) a Claim, or any portion thereof, that has been disallowed by a Final Order or a settlement, or as provided in this Plan, (b) a Claim or any portion thereof that is Scheduled at zero or as contingent, disputed, or unliquidated and as to

which a Proof of Claim bar date has been established but no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law, or (c) a Claim or any portion thereof that is not Scheduled and as to which a Proof of Claim bar date has been established but no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

1.46 “Disbursement Agreement” means the Second Amended and Restated Disbursement Agreement by and among Ryckman, ING Capital LLC, as administrative agent and collateral agent, and The Bank of New York Mellon, as depository.

1.47 “Disclosure Statement” means the written disclosure statement or any supplements thereto that relates to this Plan, as such disclosure statement may be amended, modified, or supplemented from time to time, all as approved by an order of the Bankruptcy Court pursuant to Bankruptcy Code sections 1125 and 1127 and Bankruptcy Rule 3017.

1.48 “Disclosure Statement Hearing” means the hearing before the Bankruptcy Court to consider granting the relief requested under the Disclosure Statement Order and related matters as such hearing may be adjourned or continued from time to time.

1.49 “Disclosure Statement Order” means the Order entered by the Bankruptcy Court approving the Disclosure Statement as containing, among other things, “adequate information” as required by Bankruptcy Code section 1125 and the solicitation procedures related thereto.

1.50 “Disputed” means any Claim, or any portion thereof, prior to it having become an Allowed Claim or a Disallowed Claim.

1.51 “Distribution Agent” means the Reorganized Debtors or Kurtzman Carson Consultants LLC acting at the direction of the Reorganized Debtors.

1.52 “Distribution Date” means, as applicable, (a) the Initial Distribution Date, or (b) a Periodic Distribution Date.

1.53 “Distribution Record Date” means the date for determining which Holders of Allowed Claims are eligible to receive distributions under this Plan, which shall be (a) the Effective Date, or (b) such other date as designated by an order of the Bankruptcy Court.

1.54 “Effective Date” means the date on which this Plan shall take effect, which date shall be a Business Day on or after the Confirmation Date on which all conditions precedent to the effectiveness of this Plan specified in Article 11.1, have been satisfied, or, if capable of being waived, waived, which date shall be specified in a notice filed by the Reorganized Debtors with the Bankruptcy Court.

1.55 “Entity” has the meaning ascribed to such term in Bankruptcy Code section 101(15).

1.56 “Equity Security” has the meaning ascribed to such term in Bankruptcy Code section 101(16).

1.57 “Estates” means the bankruptcy estates of the Debtors created pursuant to Bankruptcy Code section 541.

1.58 “Exculpated Claim” means any Claim related to any act or omission in connection with, relating to, or arising out of the Debtors’ in or out of court restructuring, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Disclosure Statement, this Plan, the settlement of Claims or renegotiation of Executory Contracts or Unexpired Leases, the negotiation of the Plan, the Bridge Term Sheet, the Bridge Facility, the DIP Credit Agreement, the DIP Facility, the Plan Support Agreement (including the Plan Support Agreement Term Sheet attached thereto), the Plan Supplement, the Exit Facility, or any contract, instrument, release, or other agreement, or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of consummation of the Plan, the administration, consummation, and implementation of the Plan, the distribution of property under the Plan, or any transaction contemplated by the Plan or the Disclosure Statement, or in furtherance thereof.

1.59 “Exculpated Parties” means, collectively, each of the following in their respective capacities as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the DIP Agent; (d) the Prepetition Agent; (e) the DIP Lenders; (f) the Bridge Lender; (g) the Supporting Creditors; (h) the Creditors’ Committee and each of its members; (i) all Professionals; and (j) with respect to each of the above-named Entities described in subsections (a) through (i), such Entity’s respective predecessors, successors and assigns, and current and former stockholders, members, limited partners, general partners, equity holders, Affiliates and its and their subsidiaries, principals, partners, managed funds, parents, equity holders, members, employees, agents, officers, directors, managers, trustees, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants.

1.60 “Executory Contract” means any contract to which any of the Debtors is a party that is subject to assumption or rejection under Bankruptcy Code sections 365 or 1123.

1.61 “Exhibit” means an exhibit contained in the Plan Supplement or annexed as an appendix to the Disclosure Statement.

1.62 “Exit Facility Credit Agreement” means an agreement substantially on the terms set forth on the term sheet included in the Plan Supplement.

1.63 “Exit Facility” means that certain exit revolving credit facility in the aggregate principal amount of no less than \$35 million, to be provided to the Reorganized Debtors and secured by a valid, perfected, first priority lien on all assets of the Reorganized Debtors, on the Effective Date, pursuant to the Exit Facility Credit Agreement by and among the Reorganized Debtors, as borrowers, and the Exit Lenders, and all other documents entered into in connection therewith or contemplated thereby.

1.64 “Exit Facility Documents” means the agreements, documents, instruments, and certificates relating to the Exit Facility, including the Exit Facility Credit Agreement.

1.65 “Exit Lenders” means the lender or syndication of lenders party to the Exit Facility Credit Agreement as of the Effective Date, who shall be the DIP Lenders and each of the financial institutions from time to time party to the Exit Facility as lenders.

1.66 “Face Amount” means (a) when used in reference to a Disputed Claim or Disallowed Claim, the full stated liquidated amount claimed by the Holder of a Claim in any Proof of Claim, or amendment thereof in accordance with applicable law, timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, or the amount estimated for such Claim in an order of the Bankruptcy Court, and (b) when used in reference to an Allowed Claim or Allowed Interest, the Allowed amount of such Claim or Interest. If none of the foregoing applies, the Face Amount of the Claim shall be zero dollars.

1.67 “Final Order” means an order or judgment, the operation or effect of which has not been reversed, stayed, modified, or amended, is in full force and effect, and as to which order or judgment (or any reversal, stay, modification, or amendment thereof) (a) the time to appeal, seek certiorari, or request re-argument or further review or rehearing has expired and no appeal, petition for certiorari, or request for re-argument or further review or rehearing has been timely filed, or (b) any appeal that has been or may be taken or any petition for certiorari or request for re-argument or further review or rehearing that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed, from which certiorari was sought, or to which the request was made, and no further appeal or petition for certiorari or request for re-argument or further review or rehearing has been or can be taken or granted; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedures, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not prevent such order from being a Final Order; provided, further, that the Debtors or the Reorganized Debtors, as applicable, reserve the right to waive any appeal period for an order or judgment to become a Final Order.

1.68 “General Unsecured Claim” means any Claim that is not an Administrative Claim, DIP Facility Claim, Priority Tax Claim, Other Secured Claim, Other Priority Claim, Prepetition Credit Agreement Secured Claim, Prepetition Credit Agreement Deficiency Claim, Hedging Agreement Secured Claim, Hedging Agreement Deficiency Claim, Intercompany Claim, or Subordinated Claim. For the avoidance of doubt, General Unsecured Claim shall include Rejection Damages Claims and Reclamation Claims (that are not Allowed Section 503(b)(9) Claims).

1.69 “Governmental Unit” has the meaning ascribed to such term in Bankruptcy Code section 101(27).

1.70 “Hedging Agreement Claim” means, collectively, the Hedging Agreement Deficiency Claim and the Hedging Agreement Secured Claim.

1.71 “Hedging Agreement Deficiency Claim” means Claims arising out of a Secured Hedging Agreement (as such term is defined in the Prepetition Credit Agreement) held by a Secured Hedging Agreement Counterparty (as such term is defined in the Prepetition Credit Agreement) that are not Hedging Agreement Secured Claims.

1.72 “Hedging Agreement Secured Claims” means Secured Claims arising out of a Secured Hedging Agreement (as such term is defined in the Prepetition Credit Agreement) held by a Secured Hedging Agreement Counterparty (as such term is defined in the Prepetition Credit Agreement).

1.73 “Holdback Escrow Account” means the interest-bearing escrow account into which Cash equal to the Holdback Escrow Amount shall be deposited on the Effective Date for the payment of Allowed Professional Claims to the extent not previously paid or disallowed.

1.74 “Holdback Escrow Amount” means the sum of (a) the aggregate amounts withheld by the Debtors as of the Effective Date as a holdback on payment of Professional Claims pursuant to the Professional Fee Order and (b) 100% of the unbilled fees and expenses of Professionals estimated pursuant to Article 2.3(b) of the Plan attributable to fees incurred as of the Effective Date that are not the subject of any objection; provided, however, that if a Professional does not provide an estimate pursuant to Article 2.3(b), the Debtors may estimate the unbilled fees of such Professional incurred as of the Confirmation Date so long as such estimate is approved by the DIP Agent. The sum of provisions (a) and (b) above shall comprise the Holdback Escrow Amount.

1.75 “Holder” means an Entity that is a holder of a Claim against or Interest in the Debtors.

1.76 “Holdings” means Ryckman Creek Resources Holding Company LLC, a Delaware limited liability company, a debtor in possession in the Chapter 11 Cases, Case No. 16-10293 (KJC) pending in the Bankruptcy Court.

1.77 “Hybrid New Notes” means a tranche of New Notes, which shall be issued by Reorganized Ryckman and (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors’ assets, junior to the Liens in favor of the Exit Facility and Senior New Notes and pari passu with the Junior New Notes, (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement, and (iii) the interest on which shall be payable in Class B Preferred Units.

1.78 “Impaired” means with respect to any Class of Claims or Interests, a Claim or Interest that is impaired within the meaning of Bankruptcy Code section 1124.

1.79 “Inactive Debtors” means the Debtors other than Ryckman.

1.80 “Inactive Debtors Final Decree” means a final decree entered by the Court closing the Chapter 11 Cases of the Inactive Debtors pursuant to Bankruptcy Rule 3022, which order may be the Confirmation Order.

1.81 “Indemnification Obligations” means obligations of the Debtors, if any, to indemnify, reimburse, advance, or contribute to the losses, liabilities, or expenses of an Indemnitee pursuant to the Debtors’ certificate of formation, limited liability company agreement, bylaws, policy of providing employee indemnification, applicable law, or specific agreement in respect of any claims, demands, suits, causes of action, or proceedings against an Indemnitee based upon any act or omission related to an Indemnitee’s service with, for, or on behalf of the Debtors.

1.82 “Indemnitee” means all managers, officers, or employees of the Debtors, in each case employed by the Debtors or serving as a manager or officer immediately prior to or as of the Effective Date and acting in their respective capacities as such immediately prior to the Effective Date, who are entitled to assert Indemnification Obligations.

1.83 “Initial Distribution Date” means the date selected by the Reorganized Debtors, in their sole discretion, upon which distributions to Holders of Allowed Claims entitled to receive distributions under this Plan shall commence.

1.84 “Initial Tranche A Completion Loans” means \$50,000,000 in principal amount of the Tranche A Completion Loans issued pursuant to the Prepetition Credit Agreement by the Tranche A Completion Loan Lenders.

1.85 “Initial Tranche B Completion Loan Principal” means the \$55,000,000 in principal amount of the Initial Tranche B Completion Loans issued pursuant to the Prepetition Credit Agreement by the Tranche B Completion Loan Lender.

1.86 “Initial Tranche B Completion Loans” means the Initial Tranche B Completion Loan Principal and Initial Tranche B Converted Interest.

1.87 “Initial Tranche B Converted Interest” means accrued unpaid interest arising on account of the Initial Tranche B Completion Loans through the Effective Date of the Plan, including any interest that was paid in kind prior to the Effective Date of the Plan.

1.88 “Intercompany Claim” means a Claim by any Debtor against another Debtor.

1.89 “Interests” means any Equity Security in any of the Debtors existing immediately prior to the Effective Date, including all issued, unissued, authorized, or outstanding shares of stock or limited liability company interests (including all common and preferred units existing immediately prior to the Effective Date, whether convertible or not) together with any warrants, options, or contractual rights to purchase or acquire such Equity Securities at any time and all rights arising with respect thereto.

1.90 “Junior New Notes” means, collectively, the Series A Junior Notes and the Series B Junior Notes.

1.91 “Junior Term Loan Claim” means with respect to a Term Loan Lender such lender’s Term Loan Claim reduced by its Tranche A Completion Loan Principal Claim (if any).

1.92 “**Lien**” has the meaning ascribed to such term in Bankruptcy Code section 101(37).

1.93 “**New AAL**” means a new agreement among lenders that shall govern the priority of payments among the holders of the New Notes, which shall be consistent in all material respects with the Plan Support Agreement.

1.94 “**New Certificates of Formation**” means the certificates of formation of each of the Reorganized Debtors, the form of which shall be included in the Plan Supplement, and further subject to Article 6.13 hereof.

1.95 “**New Class A Common Units**” means a class of common units in Reorganized Holdings, issued on or after the Effective Date. New Class A Common Units shall represent a proportion of the New Common Units equal to the proportion that the New Class A Preferred Units represent of the New Preferred Units. The economic sharing rights of the New Class A Common Units shall be as set forth in the Upside Sharing Grid.

1.96 “**New Class A Preferred Units**” means collectively, the Series A-1 Preferred Units, Series A-2 Preferred Units, and Series A-3 Preferred Units, issued on or after the Effective Date, which shall rank pari passu with the New Class B Preferred Units.

1.97 “**New Class B Common Units**” means a class of New Common Units in Reorganized Holdings, issued on or after the Effective Date. New Class B Common Units shall represent a proportion of the New Common Units equal to the proportion that the New Class B Preferred Units represent of the New Preferred Units. The economic sharing rights of the New Class B Common Units shall be as set forth in the Upside Sharing Grid.

1.98 “**New Class B Preferred Units**” means a class of preferred units in Reorganized Holdings, issued on or after the Effective Date, which shall rank pari passu with the New Class A Preferred Units and (i) to the extent issued on account of the Initial Tranche B Converted Interest, shall have a liquidation preference equal to the amount of the Initial Tranche B Converted Interest and (ii) to the extent issued as interest on the Hybrid New Notes accruing after implementation of the Plan, shall have a liquidation preference of \$1.00 for each \$1.00 of Hybrid New Note interest payable.

1.99 “**New Common Units**” means common membership units in Reorganized Holdings, issued on or after the Effective Date, including the New Class A Common Units and the New Class B Common Units.

1.100 “**New Corporate Governance Documents**” means, as applicable, (a) the New Certificates of Formation and (b) the New LLC Agreements, including the Reorganized Holdings LLC Agreement and the Reorganized Ryckman LLC Agreement, in each case to be filed as part of the Plan Supplement, and further subject to Article 6.13 hereof.

1.101 “**New Holdings Board**” means the initial board of managers of Reorganized Holdings, the members of which shall be identified prior to the Confirmation Hearing.

1.102 “New Holdings Equity” means 100% of the equity in Reorganized Holdings, to be issued to certain Holders of Prepetition Secured Claims pursuant to this Plan.

1.103 “New LLC Agreements” means the limited liability company agreement of the Reorganized Debtors, the form of which shall be included in the Plan Supplement, and further subject to Article 6.13 hereof, including the Reorganized Holdings LLC Agreement and the Reorganized Ryckman LLC Agreement.

1.104 “New Notes” means the notes to be issued by Reorganized Ryckman to the Holders of Prepetition Credit Agreement Secured Claims, on or after the Effective Date, which (i) shall be secured by liens on substantially all of the assets of the Reorganized Debtors, which liens will be junior in priority to the lien securing the Exit Facility, (ii) shall have the various tranches and terms set forth in this Plan and the Plan Supplement, (iii) shall be subject to the New AAL, (iv) shall be subject to an unlimited guaranty by Reorganized Holdings that is secured by a lien on all assets of Reorganized Holdings, and (v) shall contain the performance covenants set forth on Exhibit 1.

1.105 “New Preferred Units” means preferred units in Reorganized Holdings issued on or after the Effective Date, which shall be comprised of the New Class A Preferred Units and New Class B Preferred Units.

1.106 “New Ryckman Board” means the initial boards of managers of Reorganized Ryckman, the members of which shall be identified prior to the Confirmation Hearing.

1.107 “New Ryckman Common Units” means common membership units in Reorganized Ryckman, issued on or after the Effective Date.

1.108 “Old AAL” means that certain Agreement Among Lenders, effective as of October 31, 2014, as amended, between Bear River Acquisition Company, ING Capital LLC as administrative agent and collateral agent, and the other lenders under the Prepetition Credit Agreement party to the Old AAL.

1.109 “Ordinary Course Administrative Claim” means an Administrative Claim that is both (i) incurred by a Debtor in the ordinary course of business after the Petition Date in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Claim; and (ii) accepted or designated by the DIP Agent or Reorganized Debtors as an Ordinary Course Administrative Claim. For the avoidance of doubt, no Section 503(b)(9) Claim may be an Ordinary Course Administrative Claim.

1.110 “Ordinary Course Professionals Order” means the Bankruptcy Court’s Order Under Bankruptcy Code Sections 105(a), 327, 330, And 331 Authorizing Debtors To Employ And Pay Professionals Utilized In The Ordinary Course Of Business [Docket No. 110].

1.111 “Other Priority Claim” means any Claim entitled to priority payment as specified in Bankruptcy Code section 507(a), other than an Administrative Claim or a Priority Tax Claim.

1.112 “Other Secured Claim” means any Secured Claim other than the following: (a) a DIP Facility Claim, (b) a Prepetition Credit Agreement Secured Claim, or (c) a Hedging Agreement Secured Claim.

1.113 “Peregrine Midstream” means Peregrine Midstream Partners LLC, a Texas limited liability company, debtor in possession in the Chapter 11 Cases, Case No. 16-10295 (KJC) pending in the Bankruptcy Court.

1.114 “Peregrine Rocky Mountains” means Peregrine Rocky Mountains LLC, a Delaware limited liability company, debtor in possession in the Chapter 11 Cases, Case No. 16-10294 (KJC) pending in the Bankruptcy Court.

1.115 “Periodic Distribution Date” means such Business Days after the Initial Distribution Date selected by the Reorganized Debtors in their reasonable discretion for making distributions under this Plan.

1.116 “Petition Date” means February 2, 2016.

1.117 “Plan” means this plan of reorganization for the resolution of outstanding Claims and Interests in the Chapter 11 Cases, as may be modified in accordance with the Bankruptcy Code and Bankruptcy Rules, including the Plan Supplement and all Exhibits, supplements, appendices, and schedules.

1.118 “Plan Supplement” means the supplement or supplements to the Plan containing certain Exhibits and documents relevant to the implementation of this Plan, to be filed with the Bankruptcy Court on or before the Plan Supplement Filing Date, and as may be amended, supplemented, or modified after the Plan Supplement Filing Date, which may include: (a) the New Corporate Governance Documents, (b) the Schedule of Assumed Executory Contracts and Unexpired Leases, (c) a list of retained Causes of Action, if any, (d) the Administrative Claim Request Form, (e) to the extent known, the New Holdings Board and the New Ryckman Board, (f) a summary of terms for the Exit Facility, and (g) other Exhibits and documents relevant to the implementation of the Plan.

1.119 “Plan Supplement Filing Date” means the date on which the Plan Supplement shall be filed with the Bankruptcy Court, which date shall be at least seven days prior to the Voting Deadline or such later date as may be approved by the Bankruptcy Court without further notice.

1.120 “Plan Support Agreement” means that certain Plan Support Agreement by and among the Debtors and the Supporting Creditors, dated as of March 23, 2016, as may be amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms therewith, pursuant to which the Debtors and the Supporting Creditors have agreed to support the Plan, subject to the conditions thereof.

1.121 “Plan Support Agreement Term Sheet” means the term sheet annexed as Exhibit A to the Plan Support Agreement.

1.122 “Plan Transaction Documents” means all definitive documents and agreements to which the Debtors will be a party as contemplated by the Plan Support Agreement and/or this Plan, including (a) this Plan and any documentation or agreements related thereto; (b) the Confirmation Order and pleadings in support of entry thereof; (c) the Disclosure Statement, the solicitation materials in respect of this Plan, the motion to approve the Disclosure Statement, and the Disclosure Statement Approval Order; (d) the Exit Facility Credit Agreement and any documentation or agreements relating thereto; and (e) all documents that will comprise the Plan Supplement.

1.123 “Prepetition Agent” means ING Capital LLC, in its capacity as administrative agent pursuant to the Prepetition Credit Agreement and other Prepetition Loan Documents.

1.124 “Prepetition Credit Agreement” means that certain Second Amended and Restated Credit Agreement, dated as of October 31, 2014 (as the same has been amended, supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date) with Ryckman as borrower and ING Capital LLC as administrative agent and collateral agent for the secured parties.

1.125 “Prepetition Credit Agreement Claims” means, collectively, the Prepetition Credit Agreement Deficiency Claims and the Prepetition Credit Agreement Secured Claims.

1.126 “Prepetition Credit Agreement Deficiency Claims” means the Claims of the Prepetition Lenders arising under the Prepetition Credit Agreement that are not Secured Claims.

1.127 “Prepetition Credit Agreement Secured Claims” means the Secured Claims of the Prepetition Lenders arising under the Prepetition Credit Agreement.

1.128 “Prepetition Lenders” shall mean the lenders under the Prepetition Credit Agreement.

1.129 “Prepetition Loan Documents” means the Financing Documents (as such term is defined in the Prepetition Credit Agreement), together with all other contracts and other agreements executed in connection with the foregoing.

1.130 “Priority Tax Claim” means a Claim of a Governmental Unit entitled to priority under Bankruptcy Code section 507(a)(8).

1.131 “Pro Rata” means the proportion that an Allowed Claim or Allowed Interest in a particular Class or subclass bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class or subclass, or the proportion that Allowed Claims or Allowed Interests in a particular Class or subclass bear to the aggregate amount of Allowed Claims or Allowed Interests in a particular Class or subclass and other Classes or subclasses entitled to share in the same recovery as such Allowed Claim or Allowed interests under this Plan.

1.132 “Professional” means any Entity retained in the Chapter 11 Cases by separate Final Order under Bankruptcy Code sections 327, 363, and 1103 or otherwise; provided, however, that Professional does not include any Entity retained pursuant to the Ordinary Course Professionals Order.

1.133 “Professional Claim” means an Administrative Claim of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges and disbursements incurred relating to services rendered or expenses incurred after the Petition Date and prior to and including the Confirmation Date.

1.134 “Professional Fee Order” means the order entered by the Bankruptcy Court on February 29, 2016 [Docket No. 109], authorizing the interim payment of Professional Claims.

1.135 “Proof of Claim” means a proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

1.136 “Reclamation Claim” means any Claim for the reclamation of goods delivered to the Debtors asserted under Bankruptcy Code section 546(c).

1.137 “Reinstated” or “Reinstatement” means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Claim Holder so as to leave such Claim Unimpaired in accordance with Bankruptcy Code section 1124, or (b) notwithstanding any contractual provision or applicable law that entitles the Claim Holder to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in Bankruptcy Code section 365(b)(2); (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Claim Holder for any damages incurred as a result of any reasonable reliance by such Claim Holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Claim Holder; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants, or restrictions on merger or consolidation, “going dark” provisions, and affirmative covenants regarding corporate existence prohibiting certain transactions or actions contemplated by this Plan, or conditioning such transactions or actions on certain factors, shall not be required to be cured or reinstated in order to accomplish Reinstatement.

1.138 “Rejection Damages Claim” means any Claim on account of the rejection of an Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365 or the repudiation of such contract.

1.139 “Released Parties” means each of the following in their respective capacities as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the DIP Agent; (d) the Prepetition Agent; (e) the DIP Lenders; (f) the Bridge Lender; (g) the Supporting Creditors; (h) the Creditors’ Committee and each of its members; (i) all Professionals; and (j) with respect to each of the above-named Entities described in subsections (a) through (i), such Entity’s

respective predecessors, successors and assigns, and current and former stockholders, members, limited partners, general partners, equity holders, Affiliates and its and their subsidiaries, principals, partners, managed funds, parents, equity holders, members, employees, agents, officers, directors, managers, trustees, professionals, representatives, advisors, attorneys, financial advisors, accountants, investment bankers, and consultants.

1.140 “Releasing Parties” means each of the following in their respective capacities as such: (a) the Released Parties, (b) all Holders of Claims and Interests that are deemed to accept this Plan, (c) each Holder of a Claim voting to accept this Plan or abstaining from voting to accept or reject this Plan, unless such Holder elects to opt out of the releases contained in Article 10.5 by checking the box on its timely submitted ballot, and (d) with respect to each of the foregoing Entities in subparts (b) through (c), their respective current and former officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals. For the avoidance of doubt, and notwithstanding anything herein to the contrary, in no event shall an Entity that checks the box on the Ballot and returns such Ballot in accordance with the Disclosure Statement Order to opt out of the third party releases contained in Article 10.5 hereof be a Releasing Party.

1.141 “Reorganized Debtors” means the Debtors or any successors thereto, by merger, consolidation, or otherwise, from and after the Effective Date, but excluding specifically any of the Debtors who are dissolved pursuant to this Plan.

1.142 “Reorganized Holdings” means the Reorganized Debtors’ parent holding company upon consummation of this Plan on the Effective Date, which will be Holdings as reorganized.

1.143 “Reorganized Holdings LLC Agreement” means the LLC Agreement of Reorganized Holdings, which shall set forth, among other things, the classes of units in Reorganized Holdings.

1.144 “Reorganized Ryckman” means the Reorganized Debtors’ subsidiary operating company upon consummation of this Plan on the Effective Date, which will be Ryckman as reorganized.

1.145 “Reorganized Ryckman LLC Agreement” means the LLC Agreement of Reorganized Ryckman.

1.146 “Required Consenting Parties” has the meaning set forth in the Plan Support Agreement.

1.147 “Ryckman” means Ryckman Creek Resources, LLC, a Delaware limited liability company, debtor in possession in the above-captioned lead Chapter 11 Case, Case No. 16-10292 (KJC) pending in the Bankruptcy Court.

1.148 “Schedule of Assumed Executory Contracts and Unexpired Leases” means the schedule of certain Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to this Plan, in the form filed as part of the Plan Supplement, as the same may

be amended, modified, or supplemented from time to time, in each case and in all respects subject to the Plan Support Agreement.

1.149 “Scheduled” means, with respect to any Claim, the status, priority, and amount, if any, of such Claim as set forth in the Schedules.

1.150 “Schedules” means the schedules of assets and liabilities and the statements of financial affairs filed in the Chapter 11 Cases by the Debtors pursuant to Bankruptcy Code section 521, which incorporate by reference the global notes and statement of limitations, methodology, and disclaimer regarding the Debtors’ schedules and statements, as such schedules or statements have been or may be further modified, amended, or supplemented from time to time in accordance with Bankruptcy Rule 1009 or Final Orders of the Bankruptcy Court.

1.151 “Secondary Tranche A Completion Loans” means \$5,000,000 in principal amount of the Tranche A Completion Loans, issued pursuant to the Prepetition Credit Agreement by the Tranche A Lenders.

1.152 “Secondary Tranche B Completion Loans” means \$15,000,000 in principal amount of the Tranche B Completion Loans issued pursuant to the Prepetition Credit Agreement by the Tranche B Lender.

1.153 “Section 503(b)(9) Claim” means any Claim asserted under Bankruptcy Code section 503(b)(9) equal to the value of any goods received by the Debtors within 20 days before the Petition Date in which the goods have been sold to the Debtors in the Debtors’ ordinary course of business.

1.154 “Secured Claim” means a Claim (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with Bankruptcy Code section 506(a), including the Prepetition Credit Agreement Secured Claims, Hedging Agreement Secured Claims, and Other Secured Claims or (b) subject to a valid right of setoff pursuant to Bankruptcy Code section 553.

1.155 “Securities Act” means the Securities Act of 1933, as now in effect or hereafter amended, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

1.156 “Senior New Notes” means, collectively, the Series A-1 Senior Notes, Series A-2 Senior Notes, and the Series B Senior Notes.

1.157 “Series A-1 Preferred Units” means a class of preferred units in Reorganized Holdings with a first priority liquidation preference equal to the amount of DIP Loan obligations actually funded by the DIP Lenders, which shall accrue a quarterly dividend preference return of 12% per annum.

1.158 “Series A-1 Senior Notes” means a tranche of New Notes, which (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors’ assets, junior to the Lien in favor of the Exit Facility, and pari passu with the Series A-2 Senior Notes and Series B

Senior Notes and (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement.

1.159 “Series A-2 Preferred Units” means a class of preferred units in Reorganized Holdings with a second priority liquidation preference of up to \$55 million.

1.160 “Series A-2 Senior Notes” means a tranche of New Notes, which (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors’ assets, junior to the Lien in favor of the Exit Facility, and pari passu with the Series A-1 Senior Notes and Series B Senior Notes and (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement.

1.161 “Series A-3 Preferred Units” means a class of preferred units in Reorganized Holdings with a third priority liquidation preference equal to the amount of Term Loan obligations (including accrued unpaid interest through the Effective Date) after deducting the liquidation preference amounts of Series A-1 Preferred Units and Series A-2 Preferred Units.

1.162 “Series A Junior Notes” means a tranche of New Notes, which (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors’ assets, junior to the Lien in favor of the Exit Facility, junior to the Liens in favor of the Senior New Notes, and pari passu with the Hybrid New Notes and the Series B Junior Notes and (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement.

1.163 “Series B Junior Notes” means a tranche of New Notes, which (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors’ assets, junior to the Lien in favor of the Exit Facility, junior to the Liens in favor of the Senior New Notes, and pari passu with the Hybrid New Notes and the Series A Junior Notes and (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement.

1.164 “Series B Senior Notes” means a tranche of New Notes, which (i) shall be secured by a Lien and security interest in all of the Reorganized Debtors assets, junior to the Lien in favor of the Exit Facility, and pari passu with the Series A-1 Senior Notes and the Series A-2 Senior Notes and (ii) shall have the terms set forth in the Plan Supplement, which shall be consistent with the Plan Support Agreement.

1.165 “Subordinated Claim” means any Claim against the Debtors that is subject to subordination under Bankruptcy Code section 510(b), whether arising from rescission of a purchase or sale of a security of the Debtors or an Affiliate of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under Bankruptcy Code section 502 on account of such Claim.

1.166 “Supporting Creditors” means ING Capital LLC, in its capacity as a lender under the Prepetition Credit Agreement and the other lenders party to the Plan Support Agreement.

1.167 “Term Loan Claim” means the Claim of a Term Loan Lender in the amount of Term Loan principal provided by such Lender plus the accrued but unpaid interest thereon through the Effective Date (whether or not Allowed in the Chapter 11 Cases).

1.168 “Term Loans” means the \$160,000,000 in principal amount of term loans outstanding under the Prepetition Credit Agreement provided by the Term Loan Lenders.

1.169 “Term Loan Lenders” means the institutions party from time to time as “Lenders” to the Prepetition Credit Agreement who provided the Term Loans.

1.170 “Tertiary Tranche B Completion Loan” means \$25,000,000 in principal amount of Tranche B Completion Loans issued pursuant to the Prepetition Credit Agreement by the Tranche B Lender.

1.171 “Tranche A Completion Loan Lenders” means lenders who provided the Tranche A Completion Loans.

1.172 “Tranche A Completion Loan Principal Claim” means a Claim of a Tranche A Completion Loan Lender in the principal amount of Tranche A Completion Loans provided by such Lender.

1.173 “Tranche A Completion Loans” means, collectively, the Initial Tranche A Completion Loans and the Secondary Tranche A Completion Loans.

1.174 “Tranche B Completion Loans” means, collectively, the Initial Tranche B Completion Loans, the Secondary Tranche B Completion Loans, and the Tertiary Tranche B Completion Loans.

1.175 “Tranche B Completion Loan Lender” means the lender who provided the Tranche B Completion Loans.

1.176 “Unclaimed Distribution” means any distribution under this Plan on account of an Allowed Claim to a Holder that has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors’ or Reorganized Debtors’ request for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

1.177 “Unencumbered Assets” means assets (if any) of the Debtors not subject to the Liens of the Prepetition Lenders or the DIP Lenders, including Avoidance Actions and other unencumbered Causes of Action.

1.178 “Unexpired Lease” means a lease of nonresidential real property to which any of the Debtors is a party that is subject to assumption or rejection under Bankruptcy Code sections 365 or 1123.

1.179 “Unimpaired” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Impaired.

1.180 “Upside Sharing Grid” means the sharing grid attached to the Plan as Exhibit 2, which sets out the percentage recovery to be provided on account of the Contingent Value Rights and economic sharing of New Common Units.

1.181 “Utility Deposit Account” shall have the meaning ascribed to such term in the Debtors’ Motion for Interim and Final Order pursuant to Bankruptcy Code Sections 105(a) and 366 (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment, (II) Establishing Procedures for Resolving Objections by Utility Companies, and (III) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service [Docket No. 117].

1.182 “Voting Deadline” means [____], 2016, at 4:00 p.m. prevailing Pacific time.

C. Rules of Interpretation

For purposes of this Plan, unless otherwise provided herein, (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) each pronoun stated in the masculine, feminine, or neuter includes the masculine, feminine, and neuter; (c) any reference in this Plan to an existing document or schedule filed or to be filed means such document or schedule, as it may have been or may be amended, modified, or supplemented; (d) any reference to an entity as a Holder of a Claim or Interest includes that entity’s successors and assigns; (e) all references in this Plan to Sections, Articles, and Exhibits are references to Sections, Articles, and Exhibits of or to this Plan; (f) the words “herein,” “hereunder,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (h) the rules of construction set forth in Bankruptcy Code section 102 shall apply; (i) to the extent the Disclosure Statement is inconsistent with the terms of this Plan, this Plan shall control; (j) to the extent this Plan is inconsistent with the Confirmation Order, the Confirmation Order shall control; (k) references to “membership units,” “members,” “managers,” and/or “officers” shall also include “shares,” “shareholders,” “directors,” or other functional equivalents, as applicable, as such terms are defined under the applicable state limited liability company or alternative comparable laws, as applicable; (l) any action that may be undertaken by the Debtors or Reorganized Debtors herein, after the Effective Date, may only be undertaken by the Reorganized Debtors; and (m) any immaterial effectuating provision may be interpreted by the Reorganized Debtors in a manner that is consistent with the overall purpose and intent of this Plan without further Final Order of the Bankruptcy Court.

D. Computation of Time

In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply.

E. References to Monetary Figures

All references in this Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Exhibits

All Exhibits are incorporated into and are a part of this Plan as if set forth in full herein. Once filed, copies of Exhibits may be obtained upon email request to the Claims,

Noticing, and Solicitation Agent at Ryckmaninfo@kcellc.com, or by downloading such exhibits from the Debtors' informational website at <http://kcellc.net/Ryckman>.

ARTICLE II

ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS

2.1 Administrative Claims. Except to the extent that the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Administrative Claim agree to a less favorable treatment, a Holder of an Allowed Administrative Claim (other than a DIP Facility Claim, which shall be subject to Article 2.2 of this Plan, or a Professional Claim, which shall be subject to Article 2.3 of this Plan) shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim either (a) on the later of (x) the Initial Distribution Date; or (y) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when an Administrative Claim becomes an Allowed Administrative Claim or (ii) 30 days after the date when an Administrative Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Administrative Claim; or (b) if the Allowed Administrative Claim is an Ordinary Course Administrative Claim, in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; provided, however, that other than Holders of (i) a Professional Claim, (ii) an Administrative Claim Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iii) an Ordinary Course Administrative Claim that is not Disputed, the Holder of any Administrative Claim shall have filed an Administrative Claim Request Form no later than the Administrative Claims Bar Date and such Claim shall have become an Allowed Claim (or for any Section 503(b)(9) Claim, the Holder of such Section 503(b)(9) Claim shall have filed a Proof of Claim no later than the applicable Bar Date and such Claim shall have become an Allowed Claim). Except as otherwise provided herein and as set forth in Articles 2.2 or 2.3 of this Plan, all requests for payment of an Administrative Claim must be filed, in substantially the form of the Administrative Claim Request Form contained in the Plan Supplement, with the Claims, Noticing, and Solicitation Agent and served on counsel for the Debtors or the Reorganized Debtors, as applicable, no later than the Administrative Claims Bar Date. Any request for payment of an Administrative Claim pursuant to this Article 2.1 that is not timely filed and served shall be Disallowed automatically without the need for any objection from the Reorganized Debtors. The Reorganized Debtors may settle an Administrative Claim without further Bankruptcy Court approval and the Claims, Noticing, and Solicitation Agent shall be able to rely on the Reorganized Debtors representation of such settlement to adjust the claims register accordingly without further Bankruptcy Court approval. In the event that the Reorganized Debtors object to an Administrative Claim and there is no settlement, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim.

2.2 DIP Facility Claims. On the Effective Date, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every DIP Facility Claim, the DIP Facility Claims shall convert into the Exit Facility pursuant to the terms of the Exit Facility Credit Agreement.

2.3 Professional Claims.

(a) **Final Fee Applications.** All final requests for payment of Professional Claims and requests for reimbursement of expenses of members of the Creditors' Committee must be filed no later than 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

(b) **Payment of Interim Amounts.** Subject to the Holdback Escrow Amount, on the Effective Date, the Reorganized Debtors shall pay all amounts owing to Professionals for all outstanding amounts billed relating to prior periods through the Effective Date as to which no objection has been filed and for which the objection period under the Professional Fee Order has expired. If any objections to such amounts sought are received by a Professional, no payments shall be made to such Professional on account of fees or expenses subject to such objection unless and until such fees or expenses are allowed by a Final Order of the Bankruptcy Court. Before or as soon as reasonably practicable after the Effective Date, a Professional seeking payment of estimated, unbilled amounts through the Effective Date shall submit a detailed invoice or fee estimate covering such period to counsel for the Debtors, counsel for the DIP Agent, and counsel for the Creditors' Committee, which estimated fees shall be subject to a 5-day objection period before such amounts may be included in the Holdback Escrow Amount. In the event that any objection is filed to such estimated fees to be included in the Holdback Escrow Amount, any fees and expenses subject to such an objection shall not be added to the Holdback Escrow Account without further order of the Bankruptcy Court.

(c) **Holdback Escrow Account.** On the Effective Date, the Reorganized Debtors shall fund the Holdback Escrow Account with Cash equal to the aggregate Holdback Escrow Amount for all Professionals. The Distribution Agent shall maintain the Holdback Escrow Account in trust for the Professionals with respect to whom fees have been held back pursuant to the Professional Fee Order and shall not be used for any purpose other than to pay the Allowed Professional Claims, except as set forth in the final sentence of this Article 2.3(c). No amounts shall be paid from the Holdback Escrow Account to any Professional unless and until the Professional's final fee application is Allowed by a Final Order of the Bankruptcy Court. When all Professional Claims have been paid in full in the amounts Allowed by Final Order of the Bankruptcy Court, amounts remaining in the Holdback Escrow Account, if any, shall be paid to the Reorganized Debtors.

(d) **Post-Effective Date Retention.** Upon the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors shall employ and pay Professionals in the ordinary course of business (including the reasonable fees and expenses incurred by Professionals in preparing, reviewing, prosecuting, defending, or addressing any issues with respect to final fee applications).

2.4 Priority Tax Claims. On the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when a Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) 30 days after the date when

a Priority Tax Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Priority Tax Claim, except to the extent that the Debtors (or Reorganized Debtors) and a Holder of an Allowed Priority Tax Claim agree to a less favorable treatment, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim: (x) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (y) Cash in an amount agreed to by the Debtors (or the Reorganized Debtors) and such Holder, provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (z) at the sole option of the Reorganized Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to Bankruptcy Code section 1129(a)(9)(C). To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

ARTICLE III

CLASSIFICATION, TREATMENT, AND VOTING OF CLAIMS AND INTERESTS

3.1 Classification of Claims and Interests.²

(a) In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims (including Professional Claims), DIP Facility Claims, and Priority Tax Claims of the kinds specified in Bankruptcy Code sections 507(a)(1) and 507(a)(8) have not been classified and their treatment is set forth in Article II above.

(b) Pursuant to Bankruptcy Code sections 1122 and 1123, set forth below is a designation of classes of Claims against and Interests in the Debtors. A Claim or Interest is placed in a particular Class for the purposes of voting on this Plan and, to the extent applicable, receiving distributions pursuant to this Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

² The Debtors are still conducting their substantive consolidation analysis. The Plan will be updated, as needed, prior to the Disclosure Statement Hearing.

(c) Claims and Interests are divided into numbered Classes as set forth below:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims	Impaired	Entitled to Vote
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Subordinated Claims	Impaired	Deemed to Reject
8	Interests	Impaired	Deemed to Reject

ARTICLE IV

PROVISIONS FOR TREATMENT OF CLAIMS AND INTERESTS

4.1 Class 1 – Other Secured Claims.

(a) Classification: Class 1 consists of all Other Secured Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of this Plan, and except to the extent that a Holder of an Allowed Class 1 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 1 Claim, each such Holder of an Allowed Class 1 Claim shall, at the election of the Debtors or the Reorganized Debtors (with the approval of the Required Consenting Parties), as applicable:

(i) have its Allowed Class 1 Claim Reinstated and rendered Unimpaired on the Effective Date in accordance with Bankruptcy Code section 1124(2), notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Class 1 Claim to demand or receive payment of such Allowed Class 1 Claim prior to the stated maturity of such Allowed Class 1 Claim from and after the occurrence of a default;

(ii) be paid in full in Cash or Cash equivalents in an amount equal to such Allowed Class 1 Claim, including postpetition interest, if any, on such Allowed Class 1 Claim required to be paid pursuant to Bankruptcy Code section 506, on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim; or

(iii) receive the collateral securing its Allowed Class 1 Claim free and clear of Liens, Claims, and encumbrances on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim, provided that such collateral, as of the day prior to the Effective Date, was property of the Estates.

Nothing in this Article 4.1 or elsewhere in this Plan shall preclude the Debtors or the Reorganized Debtors, as applicable, from challenging the validity of any alleged Lien on any asset of the Debtors or the value of the property that secures any alleged Lien.

(c) Voting: Class 1 is Unimpaired, and Holders of Allowed Class 1 Claims are conclusively presumed to have accepted this Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 1 Claims are not entitled to vote to accept or reject this Plan.

4.2 Class 2 – Other Priority Claims.

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of this Plan, and except to the extent that a Holder of an Allowed Class 2 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 2 Claim, each such Holder of an Allowed Class 2 Claim shall be paid in full in Cash on the first Periodic Distribution Date occurring after the later of (i) the Effective Date and (ii) 30 days after the date when a Class 2 Claim becomes an Allowed Claim; provided, however, that Other Priority Claims that arise in the ordinary course of the Debtors' business and which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business.

(c) Voting: Class 2 is Unimpaired, and Holders of Allowed Class 2 Claims are conclusively presumed to have accepted this Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 2 Claims are not entitled to vote to accept or reject this Plan.

4.3 Class 3 – Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims.

(a) Classification: Class 3 consists of all Prepetition Credit Agreement Secured Claims and all Hedging Agreement Secured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 3 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 3 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 Claim shall receive on account of such Class 3 Claim (i) the New Notes and (ii) the New Holdings Equity, which shall be provided in accordance with the treatment set forth for the Class 3 subclasses, as set forth below.

(i) *Subclass 3-A - Secondary Tranche A Completion Loan Secured Claims*

Holders of Allowed Secured Claims on account of Secondary Tranche A Completion Loans shall receive Series A-1 Senior Notes in an amount equal to the original principal amount of the Secondary Tranche A Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(ii) *Subclass 3-B - Tertiary Tranche B Completion Loan Secured Claims*

Holders of Allowed Secured Claims on account of Tertiary Tranche B Completion Loans shall receive the Series B Senior Notes in an amount equal to the original principal amount of the Tertiary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(iii) *Subclass 3-C – Initial Tranche A Completion Loan Secured Claims of DIP Lenders*

Holders of Allowed Secured Claims on account of Initial Tranche A Completion Loans who are DIP Lenders shall receive Series A-2 Senior Notes in an amount equal to the principal amount of DIP Loans provided by such Holder, up to a maximum amount of Allowed Secured Claims on account of Initial Tranche A Completion Loans.

(iv) *Subclass 3-D – Other Initial Tranche A Completion Loan Secured Claims*

After giving effect to distributions to Subclass 3-C, Holders of Allowed Secured Claims on account of any remaining principal of, and accrued unpaid interest through the Effective Date of the Plan on, Initial Tranche A Completion Loans shall receive Series A Junior Notes in an amount equal to such principal and accrued interest amounts.

(v) *Subclass 3-E – Secondary Tranche B Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Secondary Tranche B Completion Loans shall receive the Series B Junior Notes in an amount equal to the original principal amount of the Secondary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(vi) *Subclass 3-F – Initial Tranche B Completion Loan*
Principal Secured Claims

Holders of Allowed Secured Claims on account of Initial Tranche B Completion Loan Principal shall receive the Hybrid New Notes in an amount equal to the original principal amount of the Initial Tranche B Completion Loans.

(vii) *Subclass 3-G – Initial Tranche B Converted Interest*
Secured Claims

Holders of Allowed Secured Claims for Initial Tranche B Converted Interest shall receive New Class B Preferred Units and New Class B Common Units in exchange for the Initial Tranche B Converted Interest through the Effective Date of the Plan.

(viii) *Subclass 3-H - Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders*

Holders of Allowed Secured Claims on account of Term Loans who are DIP Lenders and Tranche A Completion Loan Lenders shall receive (i) Series A-1 Preferred Units on a Pro Rata basis based on the amount of DIP Facility Claims of each Holder, (ii) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-I Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (iii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iv) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

The Series A-1 Preferred Units received by such Holders shall first reduce the amount of Series A-3 Preferred Units received by such Holder before reducing the amount of Series A-2 Preferred Units received by such Holder.

(ix) *Subclass 3-I – Term Loan Secured Claims of Tranche A Completion Loan Lenders*

Holders of Allowed Secured Claims on account of Term Loans who are Tranche A Completion Loan Lenders but are not DIP Lenders shall receive (i) Series A-2

Preferred Units on a Pro Rata basis with Allowed Subclass 3-H Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction (with respect to Holders in Subclass 3-H) for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (ii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

(x) *Subclass 3-J – Other Term Loan Secured Claims and Hedging Agreement Secured Claims*

Holders of Allowed Secured Claims on account of Term Loans who are neither DIP Lenders nor Tranche A Completion Loan Lenders and Holders of Allowed Hedging Agreement Secured Claims shall receive (i) Series A-3 Preferred Units on a Pro Rata basis with Subclasses 3-H and 3-I based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder after reduction, first, (with respect to Holders in Subclasses 3-H and 3-I) for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder and (ii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-I Claims based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder.

(c) Voting: Each Class 3 Subclass is Impaired and Holders of Allowed Class 3 Claims are entitled to vote to accept or reject this Plan. Votes of each Class 3 Subclass shall be calculated separately for each Class 3 Subclass.

4.4 Class 4 – Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.

(a) Classification: Class 4 consists of all Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 4 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 4 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets; provided, however, that in the event that Class 5 Votes as a Class to accept the Plan, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.

(c) Voting: Class 4 is Impaired and Holders of Allowed Class 4 Claims are entitled to vote to accept or reject this Plan.

4.5 Class 5 – General Unsecured Claims.

(a) Classification: Class 5 consists of all General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 5 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share of the Contingent Value Rights, and shall be deemed to have waived any right to recover from the proceeds of the Unencumbered Assets, or (ii) in the event that Class 5 Votes as a class to reject the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets.

(c) Voting: Class 5 is Impaired and Holders of Allowed Class 5 Claims are entitled to vote to accept or reject this Plan.

4.6 Class 6 – Intercompany Claims.

(a) Classification: Class 6 consists of all Intercompany Claims.

(b) Treatment: On the Effective Date, all net Allowed Class 6 Claims (taking into account any setoffs of Intercompany Claims) shall be released, waived, and discharged without payment or distribution.

(c) Voting: Class 6 is Impaired, and Holders of Allowed Class 6 Claims are conclusively presumed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 6 Claims are not entitled to vote to accept or reject this Plan.

4.7 Class 7 – Subordinated Claims.

(a) Classification: Class 7 consists of all Subordinated Claims.

(b) Treatment: Holders of Allowed Class 7 Claims shall not receive any distributions on account of such Allowed Class 7 Claims, and on the Effective Date all Allowed Class 7 Claims shall be released, waived, and discharged.

(c) Voting: Class 7 is Impaired, and Holders of Allowed Class 7 Claims are deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 7 Claims are not entitled to vote to accept or reject this Plan.

4.8 Class 8 – Interests.

(a) Classification: Class 8 consists of all Interests.

(b) Treatment: On the Effective Date, Allowed Class 8 Interests shall be deemed automatically cancelled, released, and extinguished without further action by the Debtors or the Reorganized Debtors and the obligations of the Debtors and the Reorganized Debtors thereunder shall be discharged and the Holders of Allowed Class 8 Interests shall not receive or retain any property or interests on account of such Class 8 Interest.

(c) Voting: Class 8 is Impaired, and Holders of Allowed Class 8 Interests are deemed to have rejected this Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 8 Interests are not entitled to vote to accept or reject this Plan.

ARTICLE V

ACCEPTANCE

5.1 Classes Entitled to Vote. Classes 3-A, 3-B, 3-C, 3-D, 3-E, 3-F, 3-G, 3-H, 3-I, 3-J, 4, and 5 are Impaired and are entitled to vote to accept or reject this Plan. By operation of law, Classes 1 and 2 are Unimpaired and are deemed to have accepted this Plan and, therefore, are not entitled to vote. By operation of law, Classes 6, 7, and 8 are deemed to have rejected this Plan and are not entitled to vote.

5.2 Acceptance by Impaired Classes. An Impaired Class of Claims shall have accepted this Plan if, not counting the vote of any Holder designated under Bankruptcy Code section 1126(e), (a) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept this Plan and (b) the Holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept this Plan.

5.3 Elimination of Classes. To the extent applicable, any Class that does not contain any Allowed Claims or any Claims temporarily allowed for voting purposes under Bankruptcy Rule 3018, as of the date of commencement of the Confirmation Hearing, shall, for each applicable Debtor, be deemed to have been deleted from this Plan for purposes of (a) voting to accept or reject this Plan and (b) determining whether it has accepted or rejected this Plan under Bankruptcy Code section 1129(a)(8).

5.4 Deemed Acceptance if No Votes Cast. If no Holders of Claims eligible to vote in a particular Class vote to accept or reject this Plan, this Plan shall be deemed accepted by the Holders of such Claims in such Class.

5.5 Cramdown. To the extent necessary, the Debtors shall request confirmation of this Plan, as it may be modified from time to time in accordance with the terms hereof, under Bankruptcy Code section 1129(b). The Debtors reserve the right to modify, amend, or withdraw this Plan, with respect to all Debtors or any individual Debtor or group of Debtors to the extent, if any, that confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

5.6 Allowance of Prepetition Credit Agreement Claims. The Prepetition Credit Agreement Claims are hereby Allowed in the amount of \$[_____].

ARTICLE VI

MEANS FOR IMPLEMENTATION OF THE PLAN

6.1 [Reserved].³

6.2 General Settlement of Claims and Interests. Pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under this Plan, on the Effective Date, the provision of this Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to this Plan.

6.3 Plan Funding. Distributions under this Plan, and the Reorganized Debtors' operations post-Effective Date will be funded from the following sources:

(a) **Exit Facility.** On the Effective Date, the Reorganized Debtors shall enter into the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors and the Exit Lenders. Confirmation shall be deemed approval of the Exit Facility (including the transactions contemplated thereby, such as any supplementation or syndication of the Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors (with the consent of the Exit Lenders) may deem to be reasonably necessary to consummate such Exit Facility.

(b) **Other Plan Funding.** Other than as set forth in Article 6.3(a) of this Plan, all Cash necessary for the Reorganized Debtors to make payments required by this Plan shall be obtained from the Debtors' Cash balances then on hand and/or Cash from business operations, after giving effect to the transactions contemplated herein.

³ The Debtors are still conducting their substantive consolidation analysis. The Plan will be updated, as needed, prior to the Disclosure Statement Hearing.

6.4 Authorization and Issuance of New Notes. On or as soon as reasonably practicable after the Effective Date, Reorganized Ryckman shall issue the New Notes (which shall be subject to the New AAL), the terms of which are summarized in this Plan and the Plan Supplement, and the final form of which shall be acceptable to the Reorganized Debtors and the Required Consenting Parties. The Reorganized Debtors are authorized to issue the New Notes without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

6.5 Authorization and Issuance of New Holdings Equity and New Ryckman Common Units.

(a) On the Effective Date, Reorganized Holdings shall authorize and issue the New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with this Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units. Distribution of New Holdings Equity and the New Ryckman Common Units hereunder shall constitute issuance of 100% of the New Holdings Equity and 100% of the New Ryckman Common Units, respectively, and shall be deemed issued on the Effective Date. The issuance of New Holdings Equity by Reorganized Holdings, including options for the purchase thereof or other equity awards, if any, providing for the issuance of New Common Units, and the issuance of New Ryckman Common Units by Reorganized Ryckman is authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

(b) All of the membership units of New Holdings Equity and New Ryckman Common Units issued pursuant to this Plan shall be duly authorized, validly issued, fully paid, and non-assessable, and the holders of New Preferred Units and New Common Units shall not be required to execute the New LLC Agreements before receiving their respective distributions of New Preferred Units and New Common Units under this Plan. Any such Entities who do not execute the New LLC Agreements shall be automatically deemed to have accepted the terms of the New LLC Agreements (in their capacity as membership unit holders of Reorganized Holdings) and to be parties thereto without further action. The New LLC Agreements shall be adopted on the Effective Date and shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Preferred Units and New Common Units shall be bound thereby.

(c) On the Effective Date, none of the New Holdings Equity or New Ryckman Common Units will be registered under the Securities Act or listed on a national securities exchange, the Reorganized Debtors will not be reporting companies under the Securities and Exchange Act of 1934 as amended (the “Exchange Act”), the Reorganized Debtors shall not be required to and will not file reports with the Securities and Exchange Commission or any other entity or party. The Reorganized Debtors shall not be required to file monthly operating reports with the Bankruptcy Court after the Effective Date. To prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Exchange Act, except in connection with a public offering, the New Corporate Governance Documents may impose certain trading restrictions, and the New Holdings Equity and the New Ryckman Common Units will be subject to certain transfer and other restrictions pursuant to the New

Corporate Governance Documents designed to maintain the Reorganized Debtors as private, non-reporting companies.

6.6 Exemptions from Securities Act Registration Requirements. The offering, issuance, and distribution of any Securities pursuant to this Plan and any and all settlement agreements incorporated therein will be exempt from the registration requirements of Section 5 of the Securities Act pursuant to Bankruptcy Code section 1145, section 4(a)(2) of the Securities Act, or any other available exemption from registration under the Securities Act, as applicable. Section 4(a)(2) of the Securities Act exempts transactions not involving a public offering, and section 506 of Regulation D of the Securities Act provides a safe harbor under section 4(a)(2) for transactions that meet certain requirements. In addition, under Bankruptcy Code section 1145, if applicable, any Securities issued pursuant to this Plan and any and all settlement agreements incorporated therein will be freely transferable under the Securities Act by the recipients thereof, subject to (1) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments, (2) the restrictions, if any, on the transferability of such Securities and instruments in the governing documents to such Securities, and (3) any other applicable regulatory approval. In reliance upon these exemptions, the offer, issuance, and distribution of Securities will not be registered under the Securities Act or any applicable state blue sky laws, and may not be transferred, encumbered or otherwise disposed of in the absence of such registration or an exemption therefrom under the Securities Act or under such laws and regulations thereunder. Accordingly, the Securities may be subject to restrictions on transfer as set forth in the governing documents to such Securities.

6.7 Cancellation of the Prepetition Credit Facility and Interests. On the Effective Date, except to the extent otherwise provided in this Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors shall be cancelled, including, but not limited to, (a) all notes, instruments, certificates, and other documents evidencing the Credit Facilities, (b) the Old AAL, (c) the Disbursement Agreement, and (d) Interests, and the obligations in any way related thereto (including the foregoing items (a), (b), (c), and (d)) shall be fully satisfied, released, and discharged.

6.8 Issuance of New Securities; Execution of Plan Documents. Except as otherwise provided in this Plan, on or as soon as reasonably practicable after the Effective Date, the Reorganized Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to this Plan.

6.9 Continued Corporate Existence. Except as otherwise provided in this Plan, including Articles 6.9, 6.10, and 6.11 below, the Debtors shall continue to exist after the Effective Date as separate entities, the Reorganized Debtors, with all the powers of limited liability companies under applicable law in the jurisdictions in which the Debtors have been formed, and pursuant to their certificates of formation and limited liability company agreements or other organizational documents in effect prior to the Effective Date, except to the extent such certificates of formation and limited liability company agreements or other organization

documents are amended and restated by this Plan, including pursuant to Article 6.12 below, without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the Effective Date. To the extent such documents are amended, such documents are deemed to be amended pursuant to this Plan without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than the requisite filings required under applicable state, provincial, or federal law).

6.10 Restructuring Transactions.

(a) On or following the Confirmation Date, the Debtors or Reorganized Debtors, as the case may be, shall take such actions as may be necessary or appropriate to effect the relevant restructuring transactions as set forth in this Plan and the Plan Transaction Documents, and may take other actions on or after the Effective Date.

(b) Prior to, on, or after the Effective Date, and pursuant to this Plan, the Reorganized Debtors shall enter into the restructuring transactions described herein and in the Disclosure Statement and the Plan Transaction Documents. The Debtors or the Reorganized Debtors, as applicable, shall take any actions as may be necessary or appropriate to effect a restructuring of the Debtors' businesses or the overall organizational structure of the Reorganized Debtors. The restructuring transactions may include one or more restructurings, conversions, dissolutions, or transfers as may be determined by the Debtors to be necessary or appropriate, including the dissolution of Peregrine Midstream and Peregrine Rocky Mountains as contemplated under Article 6.11. The actions taken by the Debtors or the Reorganized Debtors, as applicable, to effect the restructuring transactions may include: (i) the execution, delivery, adoption, and/or amendment of appropriate agreements or other documents of restructuring, conversion, disposition, or transfer containing terms that are consistent with the terms of this Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and that satisfy the applicable requirements of applicable state law and any other terms to which the applicable parties may agree; (ii) the execution, delivery, adoption, and/or amendment of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of this Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and having other terms for which the applicable parties may agree; (iii) the filing of appropriate certificates of formation, merger, consolidation, dissolution, or conversion pursuant to applicable state law, including but not limited to an amended certificate of formation and LLC agreement with the appropriate governmental authorities; (iv) the cancellation of membership units and warrants; and (v) all other actions that the Debtors or the Reorganized Debtors, as applicable, determine to be necessary, desirable, or appropriate to implement, effectuate, and consummate this Plan or the restructuring transactions contemplated hereby, including making filings or recordings that may be required by applicable state law in connection with the restructuring transactions.

6.11 Dissolution of Certain of the Debtors. The anticipated post-Effective Date structure of the Reorganized Debtors shall be a holding company and operating company structure, with the assets of the Debtors transferred to the operating company, Reorganized Ryckman, which shall be wholly owned by the holding company, Reorganized Holdings, which shall hold the equity of Reorganized Ryckman. On the Effective Date, Peregrine Midstream and Peregrine Rocky Mountains shall be deemed dissolved under applicable state law (by merger

with and into Reorganized Holdings or otherwise) for all purposes without the necessity for any other or further actions to be taken by or on behalf of such Entities or payments to be made in connection therewith; provided, however, the Debtors, the Reorganized Debtors, or the Disbursement Agent, as applicable, may, but are not required to take any actions it determines to be desirable to effectuate the foregoing.

6.12 Closing of the Chapter 11 Cases. On the Effective Date, pursuant to the Inactive Debtors Final Decree, the Chapter 11 Cases of the Debtors other than Ryckman shall be closed. Until entry of a final decree closing all of the Chapter 11 Cases, the closing of the Chapter 11 Cases of the Debtors other than Ryckman under this Article 6.12 shall be for procedural purposes and for purposes of calculating fees payable under section 1930 of title 28 of the United States Code only, and shall not prejudice the rights of any Creditor with respect to such Debtors or their Estates.

6.13 New Corporate Governance Documents. The New Corporate Governance Documents shall be adopted and amended as may be required so that they are consistent with the provisions of this Plan and otherwise comply with Bankruptcy Code section 1123(a)(6). After the Effective Date, the Reorganized Debtors may amend and restate the New Corporate Governance Documents and other constituent documents as permitted by applicable state LLC or other comparable alternative law, as applicable, and their certificates of formation and LLC agreements.

6.14 LLC Managers and Officers of the Reorganized Debtors. On the Effective Date, the term of the current members of the board of managers of Peregrine Midstream and Ryckman shall expire. On the Effective Date, the New Holdings Board and the New Ryckman Board shall be appointed. On and after the Effective Date, each manager or officer of the Reorganized Debtors shall serve pursuant to the terms of the New Corporate Governance Documents and applicable state limited liability company law or alternative comparable law, as applicable.

6.15 Corporate Action. Each of the matters provided for under this Plan involving the corporate structure of the Debtors or the Reorganized Debtors or corporate action to be taken by or required of the Debtors or the Reorganized Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized, approved, and to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by stockholders, Creditors, or directors of the Debtors or the Reorganized Debtors. Such actions may include (a) the adoption and filing of the New Corporate Governance Documents, (b) the appointment of the New Holdings Board and the New Ryckman Board, (c) the issuance and distribution of New Holdings Equity (comprised of the New Preferred Units and the New Common Units) and New Ryckman Common Units, (d) entry into the Exit Facility, (e) entry into the New Notes, (f) issuance of Contingent Value Rights, and (g) all other actions contemplated by this Plan (whether to occur before, on, or after the Effective Date).

6.16 Effectuating Documents; Further Transactions. On and after the Effective Date, the Reorganized Debtors, and the officers thereof and members of the New Holdings Board and the New Ryckman Board, shall be authorized to and may issue, execute,

deliver, file, or record such contracts, Securities, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan, or to otherwise comply with applicable law, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to this Plan.

6.17 Employment, Retirement, and Other Agreements and Employee Compensation Plans.

(a) **Employment Agreements.** The Debtors shall assume or reject employment, severance (change in control), retirement, indemnification, or other agreement with their pre-Effective Date managers, officers, and employees in accordance with the provisions of Article VII of this Plan. If the Debtors do not list such agreement on the list of “Assumed Executory Contracts and Unexpired Leases” contained in the Plan Supplement in accordance with Article 7.1 of his Plan, such agreement shall be deemed rejected. The Reorganized Debtors may enter into new employment arrangements and/or change in control agreements with the Debtors’ officers who continue to be employed after the Effective Date; provided, however, that to enter into or to obtain the benefits of any such employment agreement, such executive officer must contractually waive and release all pre-existing claims, including those arising from pre-existing employment, change in control, or other employment-related agreements and/or benefits under certain pre-existing compensation and benefit arrangements. On or after the Effective Date, the Reorganized Debtors may adopt, approve, and authorize the new employment arrangement and/or change in control agreement with respect to such officers of the Reorganized Debtors without further action, order, or approval of the New Holdings Board or the New Ryckman Board, as applicable.

(b) **Other Incentive Plans and Employee Benefits.** Unless otherwise specified in this Plan, and except in connection and not inconsistent with Article 6.17(a), on and after the Effective Date, the Reorganized Debtors shall have the sole discretion to (a) amend, adopt, assume, and/or honor, in the ordinary course of business or as otherwise provided herein, any contracts, agreements, policies, programs, and plans assumed pursuant to Article 7 of this Plan for, among other things, compensation, pursuant to the terms thereof or hereof, including any incentive plan, 401(k) plan, health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers’ compensation benefits, life insurance, and accidental death and dismemberment insurance for the managers, officers, and employees of the Debtors who served in such capacity from and after the Petition Date, and (b) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date.

6.18 Preservation Of Causes Of Action. In accordance with Bankruptcy Code section 1123(b)(3), the Reorganized Debtors shall retain and may (but are not required to) enforce all rights to commence and pursue any and all Causes of Action that are not released pursuant to Article 10.4 or exculpated pursuant to Article 10.6 of this Plan or an order of the Bankruptcy Court, whether arising before or after the Petition Date, including any actions or categories of actions specifically enumerated in a list of retained Causes of Action contained in the Plan Supplement, and such Causes of Action are preserved and shall vest in the Reorganized

Debtors as of the Effective Date. The Reorganized Debtors, in their sole and absolute discretion, shall determine whether to bring, settle, release, compromise, or enforce such Causes of Action (or decline to do any of the foregoing), and shall not be required to seek further approval of the Bankruptcy Court for such action. The Reorganized Debtors or any successors may pursue such litigation claims in accordance with the best interests of the Reorganized Debtors or any successor holding such rights of action. **No Entity may rely on the absence of a specific reference in this Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise provided in this Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in this Plan or an order of the Bankruptcy Court, the Reorganized Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or consummation of this Plan.

6.19 Reservation of Rights. With respect to any Cause of Action that the Debtors expressly abandon, if any, the Debtors and the Reorganized Debtors, as applicable, reserve all rights, including the right under Bankruptcy Code section 502(d) to use defensively the abandoned Causes of Action as a basis to object to all or any part of a claim against any of the Estates asserted by a Creditor who obtains the benefit of the abandoned Cause of Action. Except as set forth in Article X of this Plan, nothing contained in this Plan shall constitute or be deemed a waiver or abandonment 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.

6.20 Exemption from Certain Transfer Taxes and Recording Fees. Pursuant to Bankruptcy Code section 1146(a), any transfers of property pursuant to this Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment to the fullest extent contemplated by Bankruptcy Code section 1146(a), and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation of any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

6.21 Termination of Utility Deposit Account. On the Effective Date, the Utility Deposit Account created pursuant to Bankruptcy Code section 366 of the Bankruptcy Code shall be automatically terminated, and funds therein vest in the Reorganized Debtors. All deposits provided to utility providers under Bankruptcy Code section 366 shall likewise be sent to the Reorganized Debtors on the Effective Date.

ARTICLE VII

UNEXPIRED LEASES AND EXECUTORY CONTRACTS

7.1 Rejection of Executory Contracts and Unexpired Leases.

(a) **Automatic Rejection.** Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (i) is listed on the Schedule of Assumed Executory Contracts and Unexpired Leases contained in the Plan Supplement; (ii) has been previously assumed or rejected by the Debtors by Final Order of the Bankruptcy Court or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (iii) is the subject of a motion to assume or reject pending as of the Effective Date; or (iv) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date; provided however, that until the Effective Date, the Debtors may subsequently seek to assume an Executory Contract or Unexpired Lease previously slated for rejection by filing a motion to assume such Executory Contract or Unexpired Lease prior to the Effective Date, as set forth in Article 7.1(d). Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases subject to compliance with the requirements herein.

(b) **Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.** Rejection of any Executory Contract or Unexpired Lease pursuant to this Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or the Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts.

(c) **Claims Procedures Related to Rejection of Executory Contracts or Unexpired Leases.** Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to this Plan or otherwise must be filed with the Claims, Noticing, and Solicitation Agent no later than 30 days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied,

released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims.

(d) Reservation of Rights. Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the rejection of any Executory Contract or Unexpired Lease.

7.2 Assumption of Executory Contracts and Unexpired Leases.

(a) Assumption. Except as otherwise provided herein, upon the occurrence of the Effective Date, each Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases shall be assumed, or assumed and assigned, as applicable, and shall vest in and be fully enforceable by the Reorganized Debtors or its assignee in accordance with its terms, except as modified by the provisions of this Plan or any order of the Bankruptcy Court authorizing or providing for its assumption or applicable federal law. With respect to each such Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contracts and Unexpired Leases may be conditioned upon the disposition of all issues with respect to such Cure.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such assumptions pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date. To the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to this Plan (including any “change of control” provision) restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the Reorganized Debtors’ assumption of such Executory Contract or Unexpired Lease, then such provision shall be deemed modified such that the transactions contemplated by this Plan will not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Each Executory Contract and Unexpired Lease assumed pursuant to this Article of this Plan will revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(b) Modifications, Amendments, Supplements, Restatements, or Other Agreements. Unless otherwise provided in this Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated pursuant hereunder.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

(c) Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed. To the extent that any and all Proofs of Claims include any claims based on Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, pursuant to the order approving such assumption, including the Confirmation Order, the portion of such Proofs of Claim addressing cure obligations for Executory Contracts or Unexpired Leases shall be deemed disallowed and expunged from the claims register as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

(d) Cure Procedures and Payments Related to Assumption of Executory Contracts and Unexpired Leases. With respect to each of the Executory Contracts or Unexpired Leases assumed hereunder, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contract or Unexpired Lease shall be conditioned upon the disposition of all issues with respect to Cure. Except as otherwise set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases in the Plan Supplement, the Cure amount with respect to each of the Executory Contracts or Unexpired Leases assumed hereunder is designated by the Debtors as \$0, subject to the determination of a different Cure amount pursuant to the procedures set forth herein and in the Cure Notices. Except with respect to Executory Contracts and Unexpired Leases for which the Cure is \$0, the Cure shall be satisfied by the Reorganized Debtors or their assignee, if any, by payment of the Cure in Cash on the later of (a) 30 days following the occurrence of the Effective Date or as soon as reasonably practicable thereafter; or (b) for any Cure amounts subject to dispute, 30 days after the underlying Cure dispute is resolved, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court.

Any provisions or terms of the Executory Contracts or Unexpired Leases to be assumed pursuant to this Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of Cure. If there is a dispute regarding such Cure, the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” within the meaning of Bankruptcy Code section 365, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. The Debtors or the Reorganized Debtors, as applicable, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease is made.

Assumption of any Executory Contract or Unexpired Lease pursuant to this Plan or otherwise shall result in the full release and satisfaction of any Cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

(e) **Cure Notices.** No later than 3 days after the Debtors file the Schedule of Assumed Executory Contracts and Unexpired Leases (or any amendments thereof), the Debtors shall serve upon counterparties to such Executory Contracts and Unexpired Leases (but shall not file) a Cure Notice that will (i) notify the counterparty of the proposed assumption, (ii) list the applicable Cure, if any, set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, (iii) describe the procedures for filing objections to the proposed assumption or assumption and assignment of the applicable Executory Contract or Unexpired Lease, (iv) describe the procedures for filing objections to the proposed Cure of the applicable Executory Contract or Unexpired Lease, and (v) explain the process by which related disputes will be resolved by the Bankruptcy Court. If no objection is timely received, (x) the non-Debtor party to the Executory Contract or Unexpired Lease to be assumed shall be deemed to have consented to the assumption of the applicable Executory Contract or Unexpired Lease and shall be forever barred from asserting any objection with regard to such assumption, and (y) the proposed Cure shall be controlling, notwithstanding anything to the contrary in any applicable Executory Contract or Unexpired Lease or other document as of the date of the filing of this Plan, and the non-Debtor party to an applicable Executory Contract or Unexpired Lease shall be deemed to have consented to the Cure amount and shall be forever barred from asserting, collecting, or seeking to collect any additional amounts relating thereto against the Debtors or the Reorganized Debtors, or the property of any of them.

(f) **Cure Objections.** If a proper and timely objection to the Cure Notice or proposed Cure was filed by the Cure Objection Deadline, the Cure shall be equal to (i) the amount agreed to between the Debtors or Reorganized Debtors, as applicable, and the applicable counterparty, or, (ii) to the extent the Debtors or Reorganized Debtors and counterparty do not reach an agreement regarding any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. Objections, if any, to the proposed assumption and/or Cure must be in writing, filed with the Bankruptcy Court and served in hard-copy form on the parties identified in the Cure Notice so that they are actually received by the Cure Objection Deadline.

(g) **Hearing with Respect to Objections.** If an objection to the proposed assumption and/or to the Cure is timely filed and received in accordance with the procedures set forth in Article 7.2(f), and the parties do not reach a consensual resolution of such objection, a hearing with respect to such objection shall be held at such time scheduled by the Bankruptcy Court or the Debtors or Reorganized Debtors. Objections to the proposed Cure or assumption of an Executory Contract or Unexpired Lease will not be treated as objections to Confirmation of this Plan.

(h) **Reservation of Rights.** Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the assumption of any Executory Contract or Unexpired Lease and provide a new notice amending the information provided in the applicable notice. In the case of an Executory Contract or Unexpired Lease designated for assumption that is the subject of a Cure Objection which has not been resolved prior to the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may designate such Executory Contract or Unexpired Lease for rejection at any time prior to the payment of the Cure.

7.3 Contracts and Leases Entered into After the Petition Date. Contracts and leases entered into after the Petition Date by the Debtors, and any Executory Contracts and Unexpired Leases assumed by the Debtors, may be performed by the Reorganized Debtors in the ordinary course of business and in accordance with the terms thereof.

7.4 General Reservation of Rights. Neither the exclusion nor inclusion of any contract or lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, 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 the Reorganized Debtors, or any of their Affiliates, 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 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

ARTICLE VIII

PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

8.1 Determination of Claims and Interests. After the Effective Date, the Reorganized Debtors shall have and retain any and all rights, claims, causes of action, and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained pursuant to Article 6.18, except with respect to any Causes of Action expressly released under this Plan.

Except as expressly provided in this Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim or Interest shall become an Allowed Claim or Allowed Interest unless and until such Claim or Interest is deemed Allowed by the Debtors or the Reorganized Debtors in their sole discretion (including by written agreement with the affected Claim Holder or Interest Holder) or the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing such Claim or Interest. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties. For the avoidance of doubt, any Claim determined and liquidated pursuant to (a) an order of the Bankruptcy Court, (b) applicable non-bankruptcy law (which determination has not been stayed, reversed, or amended and as to which determination or any revision, modification, or amendment thereof as to which the time to appeal or seek review or rehearing has expired and no appeal or petition for review or rehearing was filed or, if filed, remains pending), or (c) an agreement with the Debtors or the Reorganized Debtors as set forth herein shall be deemed an Allowed Claim in such liquidated amount and satisfied in accordance with this Plan.

Nothing contained in this Article 8.1 shall constitute or be deemed a waiver of any claim, right, or Cause of Action that the Debtors or the Reorganized Debtors may have against any Entity in connection with or arising out of any Claim, including any rights under section 157(b) of title 28 of the United States Code.

8.2 Claims Administration Responsibility. Except as otherwise specifically provided for in this Plan, after the Effective Date, the Reorganized Debtors shall retain responsibility for and have authority to (a) administer, dispute, object to, compromise, or otherwise resolve all Claims against, and Interests in, the Debtors, including (i) filing, withdrawing, or litigating to judgment objections to Claims or Interests, (ii) settling or compromising any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (iii) administering and adjusting the claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court, and (b) making distributions (if any) with respect to all Claims. After the Effective Date, the Reorganized Debtors shall be entitled to settle any Claim by written agreement with the claimholder, without any further notice to or action, order, or approval by the Bankruptcy Court, and the Claims, Noticing, and Solicitation Agent shall be entitled to rely on the Reorganized Debtors' representation and adjust the claims register accordingly.

8.3 Objections to Claims. Unless otherwise extended by the Bankruptcy Court, any objections to Claims (other than Administrative Claims) shall be served and filed on or before the Claims Objection Deadline (or such later date as may be established by the Bankruptcy Court upon request of the Reorganized Debtors without further notice to parties-in-interest). Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the Holder of the Claim if the Debtors or the Reorganized Debtors effect service in any of the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, (b) to the extent counsel for a Holder of a Claim or Interest is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address), or (c) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the Holder of the Claim in the Chapter 11 Cases and has not withdrawn such appearance.

8.4 Expungement or Adjustment of Claims Without Objection. Any Claim that has been fully or partially paid, satisfied, or superseded may be expunged or adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. Any claim that has been amended (by agreement between the Reorganized Debtor and the affected Creditor, or otherwise) may be adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. The Reorganized Debtors are authorized to take the foregoing actions without requiring that a claims objection be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

8.5 Disallowance of Claims. EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO, 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 SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

Nothing herein shall in any way alter, impair, or abridge the legal effect of the Bar Date Order, or the rights of the Debtors, the Reorganized Debtors, the Creditors' Committee before the Effective Date, or other parties in interest to object to Claims on the grounds that they are time barred or otherwise subject to disallowance or modification. Nothing in this Plan shall preclude amendments to timely filed Proofs of Claim to the extent permitted by applicable law; provided, however that any such amendments that are filed after the Effective Date, shall require permission from the Bankruptcy Court, unless such requirement is expressly waived by the Reorganized Debtors.

All Claims of any Entity from which property is sought by the Debtors under Bankruptcy Code sections 542, 543, 550, or 553 or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under Bankruptcy Code sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) shall be disallowed if (a) the Entity, on the one hand, and the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

8.6 Estimation of Claims. Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate a Claim pursuant to Bankruptcy Code section 502(c) for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Disputed Claim, including during the litigation of any objection to any Disputed Claim or during the pendency of any appeal relating to such objection. In the event that the Bankruptcy Court estimates any Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under this Plan (including for purposes of distributions), without prejudice to the Holder of such Claim's right to request that estimation should be for the purpose of determining the Allowed amount of such Claim, and the Reorganized Debtors may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in this Plan are cumulative and not necessarily exclusive of one another. All estimation procedures set forth in this Plan shall be applied in accordance with Bankruptcy Code section 502(c). Disputed Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by this Plan or the Bankruptcy Court.

8.7 No Interest on Disputed Claims. Unless otherwise specifically provided for in this Plan or as otherwise required by Bankruptcy Code section 506(b), postpetition interest shall not accrue or be paid on Claims or Interests, and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any Claim or Interest. Additionally, and without limiting the foregoing, unless otherwise specifically provided for in this Plan or as otherwise required by Bankruptcy Code section 506(b), interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made, when and if such Disputed Claim becomes an Allowed Claim. For the avoidance of doubt, the Prepetition Credit Agreement Secured Claims, Bridge Facility Claims, and DIP Facility Claims are not Disputed Claims.

8.8 Amendments to Claims. On or after the Effective Date, except as otherwise provided herein, a Claim may not be amended without the authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such authorization is not received, any such new or amended Claim shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court. On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such authorization is not received, any such new or amended Claim filed shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court.

ARTICLE IX

PROVISIONS GOVERNING DISTRIBUTIONS

9.1 Time of Distributions. Except as otherwise provided for herein or ordered by the Bankruptcy Court, distributions under this Plan shall be made on the later of (a) Initial Distribution Date or (b) on the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Claim is Allowed or (ii) 30 days after the date when a Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Claim; provided, however, that the Reorganized Debtors may, in their sole discretion, make one-time distributions on a date that is not a Periodic Distribution Date.

9.2 Currency. Except as otherwise provided in this Plan or Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate as of Effective Date at 4:00 p.m. prevailing Eastern Time, mid-range spot rate of exchange for the applicable currency as published in the next The Wall Street Journal, National Edition following the Effective Date.

9.3 Distribution Agent. Except as otherwise provided herein, all distributions under this Plan shall be made by the Distribution Agent, or by such other Entity designated by the Reorganized Debtors as the Distribution Agent on the Effective Date. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of the Reorganized Debtors' duties as Distribution Agent unless otherwise ordered by the Bankruptcy Court. The Distribution Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under this 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 Distribution Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof. If the Distribution Agent is an entity other than the Reorganized Debtors, such entity shall be paid its reasonable fees and expenses, including the reasonable fees and expenses of its attorneys or other professionals.

9.4 Distributions on Account of Claims Allowed After the Effective Date.

(a) **No Distributions Pending Allowance.** No payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order of the Bankruptcy Court, and the Disputed Claim has become an Allowed Claim.

(b) **Special Rules for Distributions to Holders of Disputed Claims.** All distributions made pursuant to this Plan on account of a Disputed Claim that is later deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to Holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account to such Allowed Claims unless required under applicable bankruptcy law.

9.5 Delivery Of Distributions.

(a) **Record Date for Distributions.** On the Distribution Record Date, the claims register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record Holders listed on the claims register as of the close of business on the Distribution Record Date. The Agents shall have no obligation to recognize any transfer of any Prepetition Credit Agreement Secured Claims, Hedging Agreement Secured Claims, Prepetition Credit Agreement Deficiency Claims, Hedging Agreement Deficiency Claims, or DIP Facility Claims occurring after the close of business on the Distribution Record Date and shall instead be entitled to recognize and deal for all purposes under this Plan with only those Holders of record as of the close of business on the Distribution Record Date.

(b) **Cash Distributions.** Distributions of Cash may be made either by check drawn on a domestic bank or wire transfer from a domestic bank, at the option of the Reorganized Debtors, except that Cash payments made to foreign Creditors may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

(c) **Address for Distributions.** Distributions to Holders of Allowed Claims shall be made by the Distribution Agent (i) at the addresses set forth on the Proofs of Claim filed by such Holders of Claims (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors or the Distribution Agent have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address. The Debtors, the Reorganized Debtors, and the Distribution Agent shall not incur any liability whatsoever on account of any distributions under this Plan.

(d) **Undeliverable Distributions.** If any distribution to a Holder of a Claim is returned as undeliverable, no further distributions to such Holder of such Claim shall be

made unless and until the Distribution Agent is notified of then-current address of such Holder of the Claim, at which time all missed distributions shall be made to such Holder of the Claim without interest, dividends, or accruals of any kind on the next Periodic Distribution Date. Amounts in respect of undeliverable distributions shall be returned to the Reorganized Debtors until such distributions are claimed.

(e) **Reversion.** Any distribution under this Plan that is an Unclaimed Distribution for a period of six months after such distribution shall be deemed unclaimed property under Bankruptcy Code section 347(b) and such Unclaimed Distribution shall revert to and vest in the Reorganized Debtors free of any restrictions thereon, and to the extent such Unclaimed Distribution is New Holdings Equity, shall be deemed cancelled. Upon vesting, the Claim of any Holder or successor to such Holder with respect to such property shall be cancelled, discharged, and forever barred, notwithstanding federal or state escheat, abandoned, or unclaimed property laws to the contrary. The provisions of this Plan regarding undeliverable distributions and Unclaimed Distributions shall apply with equal force to distributions that are issued by the Reorganized Debtors or the Distribution Agent made pursuant to any note, indenture, or certificate (but only with respect to the initial distribution to Holders that are entitled to be recognized under the relevant note, indenture, or certificate and not with respect to Entities to whom those recognized Holders distribute), notwithstanding any provision in such note, indenture, or certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned, or unclaimed property law.

(f) **De Minimis Distributions.** Notwithstanding any other provision of this Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make a distribution on account of an Allowed Claim if (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has a value less than \$100,000; provided that the Reorganized Debtors shall make, or cause to be made, a distribution on a Periodic Distribution Date of less than \$100,000 if the Reorganized Debtors expect that such Periodic Distribution Date shall be the final Periodic Distribution Date; or (ii) the amount to be distributed to the specific Holder of the Allowed Claim on the particular Periodic Distribution Date does not both (x) constitute a final distribution to such Holder and (y) have a value of at least \$50.00.

(g) **Fractional Distributions.** Notwithstanding any other provision of this Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make partial distributions or distributions of fractional membership units of New Holdings Equity, or distributions or payments of fractions of dollars. Whenever any payment or distribution of a fractional membership unit of New Holdings Equity under this Plan would otherwise be called for, such fraction shall be deemed zero. Whenever any payment of Cash of a fraction of a dollar pursuant to this Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

9.6 Accrual of Dividends and Other Rights. For purposes of determining the accrual of dividends or other rights after the Effective Date, New Holdings Equity shall be deemed distributed as of the Effective Date regardless of the date on which it is actually issued, dated, authenticated, or distributed; provided, however, the Reorganized Debtors shall not pay

any such dividends or distribute such other rights, if any, until after distributions of New Holdings Equity actually take place.

9.7 Compliance Matters. In connection with this Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent 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. Notwithstanding any provision in this Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under this Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

9.8 Claims Paid or Payable by Third Parties. The Claims, Noticing, and Solicitation Agent shall reduce in full a Claim to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not the Debtors or the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court. 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 the Debtors or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution under this Plan to the Reorganized Debtors, to the extent the Holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of such Claim as of the date of any such distribution under this Plan.

9.9 Setoffs and Recoupment. Except as otherwise expressly provided for in this Plan and except with respect to any DIP Facility Claims, Prepetition Credit Agreement Secured Claims, and any distribution on account thereof, the Reorganized Debtors pursuant to the Bankruptcy Code (including Bankruptcy Code section 553), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against or recoup from any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to this Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to this Plan shall constitute a waiver or release by the Reorganized Debtors of any such Claims, rights, and Causes of Action that the Reorganized Debtors may possess against such Holder.

9.10 Allocation of Plan Distributions Between Principal and Interest. To the extent that any Allowed Claim entitled to a distribution under this Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for federal income tax purposes to the principal amount

of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

ARTICLE X

EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

10.1 Vesting of Assets. Except as otherwise explicitly provided in this Plan, on the Effective Date, all property comprising the Estates (including Causes of Action, but excluding property that has been abandoned pursuant to an order of the Bankruptcy Court) shall vest in Reorganized Ryckman (and the equity in Reorganized Ryckman shall vest in Reorganized Holdings) free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests. As of and following the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property and settle and compromise Claims, Interests, or Causes of Action without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by this Plan or the Confirmation Order.

10.2 Discharge of the Debtors. Pursuant to Bankruptcy Code section 1141(d), except as otherwise specifically provided in this Plan or the Confirmation Order, and effective as of the Effective Date: (a) the distributions and rights that are provided in this Plan, if any, and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and causes of action (whether known or unknown, including any interest accrued on such Claims from and after the Petition Date) against, liabilities of, Liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), in each case whether or not (i) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed under Bankruptcy Code section 501, (ii) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under Bankruptcy Code section 502, or (iii) the Holder of such a Claim, right, or Interest accepted this Plan; (b) this Plan shall bind all Holders of Claims and Interests notwithstanding whether any such Holders failed to vote to accept or reject this Plan or voted to reject this Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or 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. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

10.3 Compromises and Settlements. This Plan is intended to incorporate the agreements reached in the Plan Support Agreement (including the Plan Support Agreement Term Sheet). Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various (a) Claims or Interests and (b) Causes of Action that the Debtors have against other Entities up to the Effective Date. After the Effective Date, any such right shall pass to the Reorganized Debtors as contemplated in Article 10.1 of this Plan, without the need for further approval of the Bankruptcy Court. Pursuant to Bankruptcy Code section 363 and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to this Plan or any distribution to be made on account of an Allowed Claim, the provisions of this Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests, and is fair, equitable, and reasonable.

10.4 Release by Debtors. Pursuant to Bankruptcy Code section 1123(b), as of the Effective Date, the Debtors and their Estates, the Reorganized Debtors, and each of their respective current and former Affiliates shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, this Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of this Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under this Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan.

For the avoidance of doubt, nothing in this Article 10.4 shall in any way affect the operation of Article 10.2 of this Plan, pursuant to Bankruptcy Code section 1141(d).

10.5 Release by Holders of Claims and Interests. As of the Effective Date, the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Debtors, the Reorganized Debtors, their Estates, non-Debtor Affiliates, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, this Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of this Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under this Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement this Plan.

For the avoidance of doubt, except as expressly provided herein, nothing in this Article 10.5 shall in any way affect the operation of Article 10.2 of the Plan, pursuant to Bankruptcy Code section 1141(d).

10.6 Exculpation and Limitation of Liability. The Exculpated Parties shall neither have, nor incur any liability to any Entity for any Exculpated Claim; provided, however, that the foregoing "exculpation" 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 gross negligence or willful misconduct.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including with regard to the distributions of the New Holdings Equity and the New Ryckman Common Units pursuant to this Plan and, therefore, are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the

solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

10.7 Indemnification Obligations. From and after the Effective Date, any obligations or rights of any Debtor to indemnify, defend, or advance expenses to its present and former directors, officers, employees, agents, representatives, or other Indemnitees under any Debtor's certificate of incorporation, certificate of formation, bylaws, operating agreement, other corporate governance documents, employee indemnification policy, or under state law, or any agreement with respect to any claim, demand, suit, cause of action, or proceeding related to such person's service with, for, or on behalf of any of the Debtors prior to the Effective Date shall be nullified and rejected as of the Effective Date, and the Reorganized Debtors' shall not be required to indemnify, defend, or advance expenses to any such party or Indemnitee for any such obligations (including Indemnification Obligations) based on claims, transactions, events, or occurrences occurring prior to the Effective Date. The treatment of Indemnification Obligations in this Article 10.7 and under this Plan shall be in complete satisfaction, discharge, and release of any such indemnity claims or Indemnification Obligations, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of this Plan.

10.8 Injunction. The satisfaction, release, and discharge pursuant to this Article X shall act as an injunction, from and after the Effective Date, against any Entity (a) commencing or continuing in any manner or in any place, any action, employment of process, 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, in each case with respect to any Claim, Interest, or Cause of Action satisfied, released or to be released, exculpated or to be exculpated, or discharged under this Plan or pursuant to the Confirmation Order and to the fullest extent authorized or provided by the Bankruptcy Code, including to the extent provided for or authorized by sections 524 and 1141 thereof; provided, however, that nothing contained herein shall preclude such Entities from exercising their rights pursuant to and consistent with the terms of this Plan or the Confirmation Order.

10.9 Subordination Rights.

(a) All Claims and all rights and claims between or among Holders of Claims relating in any manner whatsoever to distributions on account of Claims or Interests, based upon any claimed subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the distributions under this Plan to Holders of Claims having such subordination rights, and such subordination rights shall be deemed waived, released, discharged, and terminated as of the Effective Date. Except as otherwise specifically provided for in this Plan, distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in this Plan.

(b) Except as otherwise provided in this Plan, including Article 10.4 and Article 10.6, the right of the Debtors or the Reorganized Debtors to seek subordination of

any Claim or Interest pursuant to Bankruptcy Code section 510 is fully reserved, and the treatment afforded any Claim or Interest that becomes a subordinated Claim or Interest at any time shall be modified to reflect such subordination. Unless this Plan or the Confirmation Order otherwise provide, no distributions shall be made on account of a Claim subordinated pursuant to this Article 10.9(b) unless ordered by the Bankruptcy Court.

10.10 Protection Against Discriminatory Treatment. Consistent with Bankruptcy Code section 525 and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another entity with whom the Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11, have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

10.11 Release of Liens.

(a) On the Effective Date, all Liens and security interests of the Prepetition Agent and Prepetition Lenders securing the obligations under the Prepetition Credit Agreement and other Prepetition Loan Documents shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Holders of the New Notes, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the New Notes, and shall not enhance or alter the proposed priority or treatment of any Liens securing the New Notes described herein.

(b) On the Effective Date, all Liens and security interests of the DIP Agent and DIP Lenders securing the DIP Facility shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Exit Lenders, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the Exit Facility.

(c) Except as otherwise provided in this Plan, including in (a) and (b) above, or in any contract, instrument, release, or other agreement or document created pursuant to this Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns. Notwithstanding the above, nothing in this Plan or the Confirmation Order shall release any deed restriction, easements, or institutional control that runs with the land under environmental law.

10.12 Reimbursement or Contribution. If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an entity pursuant to Bankruptcy Code section

502(e)(1)(B), then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed notwithstanding Bankruptcy Code section 502(j), unless prior to the Effective Date (1) such Claim has been adjudicated as noncontingent or (2) the relevant Holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of this Plan.

ARTICLE XI

CONDITIONS PRECEDENT

11.1 Conditions to the Effective Date of this Plan. The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.2 of this Plan:

(a) this Plan and Plan Transaction Documents shall be in a form and substance consistent in all material respects with the Plan Support Agreement;

(b) the Bankruptcy Court shall have entered the Disclosure Statement Order, and such order shall be a Final Order;

(c) the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the Required Consenting Parties, and such order shall be a Final Order;

(d) the Debtors (i) shall have obtained the Exit Facility, (ii) shall have executed and delivered the documentation governing the Exit Facility, which Exit Facility shall close substantially contemporaneously with the Effective Date, and (iii) all conditions to effectiveness of the Exit Facility shall have been satisfied or waived (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

(e) the New Corporate Governance Documents shall have been adopted and (where required by applicable law) filed with the applicable authorities of the relevant jurisdictions of organization and shall have become effective in accordance with such jurisdiction's corporation, limited liability company, or alternative comparable laws, as applicable;

(f) all authorizations, consents, certifications, approvals, rulings, no action letters, opinions, or other documents or actions required by any law, regulation, or order to be received or to occur in order to implement this Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors;

(g) all other document and agreements necessary to implement this Plan on the Effective Date shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred;

(h) all statutory fees and obligations then due and payable to the Office of the United States Trustee shall have been paid and satisfied in full.

11.2 Waiver of Conditions Precedent. The conditions set forth in Article 11.1 of this Plan may be waived, in whole or in part, by the Debtors or the Required Consenting Parties, without any notice to any other parties in interest or the Bankruptcy Court and without a hearing.

11.3 Notice of Effective Date. The Reorganized Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in Article 11.1 of this Plan have been satisfied or waived pursuant to Article 11.2 of this Plan.

11.4 Effect of Non-Occurrence of Conditions to Consummation. If prior to consummation of this Plan, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, this Plan will be null and void in all respects, and nothing contained in this Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of the Debtors or any other Entity, or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtors or any other Entity.

ARTICLE XII

RETENTION OF JURISDICTION

Pursuant to Bankruptcy Code sections 105(a) and 1142, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and this Plan, including jurisdiction to:

(a) resolve any matters related to Executory Contracts and Unexpired Leases, including: (i) the assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear and determine the allowance of Claims resulting therefrom including the amount of Cure, if any, required to be paid; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors' amendment, modification, or supplement after the Effective Date, pursuant to Article VII of this Plan, of the lists of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (iv) any dispute regarding whether a contract or lease is or was executory or expired;

(b) adjudicate any and all adversary proceedings, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases, this Plan, or that were the subject of proceedings before the Bankruptcy Court, prior to the Effective Date, proceedings to adjudicate the allowance of Disputed Claims and Disputed Interests, and all controversies and issues arising from or relating to any of the foregoing;

(c) ensure that distributions to Holders of Allowed Claims are accomplished as provided herein and adjudicate any and all disputes arising from or relating to distributions under this Plan;

(d) allow in whole or in part, disallow in whole or in part, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including hearing and determining any and all objections to the allowance or estimation of Claims or Interests filed and adjudicating any disputes between Creditors regarding priority or rights to payment or turnover of consideration distributed pursuant to the Plan, both before and after the Confirmation Date, including any objections to the classification of any Claim or Interest, and the resolution of request for payment of any Administrative Claim;

(e) hear and determine or resolve any and all matters related to Causes of Action;

(f) enter and implement such orders as may be appropriate if the Confirmation Order is for any reason stayed, revoked, modified, and/or vacated;

(g) issue and implement orders in aid of execution, implementation, or consummation of this Plan;

(h) consider any modifications of this Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(i) hear and determine all applications for allowance of compensation and reimbursement of Professional Claims under this Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4);

(j) determine requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a)(1), including compensation and reimbursement of expenses of parties entitled thereto;

(k) adjudicate, decide, or resolve any and all matters related to Bankruptcy Code section 1141;

(l) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with this Plan and disputes arising in connection with any Entity's obligations incurred in connection with this Plan;

(m) hear and determine all suits or adversary proceedings to recover assets of the Debtors and property of their Estates, wherever located;

(n) hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code sections 346, 505, and 1146;

- (o) resolve any matters relating to the pre- and post-confirmation sales of the Debtors' assets;
- (p) grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to Bankruptcy Code section 365(d)(4);
- (q) hear any other matter not inconsistent with the Bankruptcy Code;
- (r) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;
- (s) enter a final decree closing any and all of the Chapter 11 Cases;
- (t) enforce all orders previously entered by the Bankruptcy Court; and
- (u) hear and determine all matters relating to any Subordinated Claim.

From the Confirmation Date through the Effective Date, the Bankruptcy Court shall retain jurisdiction with respect to each of the foregoing items and all other matters that were subject to its jurisdiction prior to the Confirmation Date; provided, however, that the Bankruptcy Court shall not have nor retain exclusive jurisdiction over any post-Effective Date agreement, including but not limited to any of the Exit Facility Documents or the New Notes. Nothing contained herein shall be construed to increase, decrease, or otherwise modify the independence, sovereignty, or jurisdiction of the Bankruptcy Court.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Binding Effect. Upon the Effective Date, this Plan shall be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, all current and former Holders of Claims, all current and former Holders of Interests, and all other parties-in-interest and their respective heirs, successors, and assigns.

13.2 Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code, as of the entry of the Confirmation Order as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. The Reorganized Debtors shall continue to pay fees pursuant to section 1930 of title 28 of the United States Code until the Chapter 11 Cases are closed by entry of the Inactive Debtors Final Decree (as to the Inactive Debtors) and a final decree as to Ryckman. Furthermore, following entry of the Confirmation Order, the Reorganized Debtors shall continue to file quarterly reports in compliance with Bankruptcy Rule 2015(a)(5), which such reports shall not purport to be prepared in accordance with GAAP and may not be construed as reports filed under the Exchange Act.

13.3 Modification and Amendments. Subject to the terms and conditions of the Plan Support Agreement, the Debtors may alter, amend, or modify, in a manner consistent with the Plan Support Agreement, this Plan under Bankruptcy Code section 1127(a) at any time

prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of this Plan as defined in Bankruptcy Code section 1101(2), the Debtors may under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement, or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of this Plan.

13.4 Confirmation of this Plan. The Debtors request Confirmation of this Plan under Bankruptcy Code section 1129(b) with respect to any Impaired Class that does not accept this Plan pursuant to Bankruptcy Code section 1126. The Debtors reserve the right to amend this Plan to any extent, if any, that Confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

13.5 Additional Documents. On or before the Effective Date, in each case subject to the terms of the Plan Support Agreement, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan. The Debtors or the Reorganized Debtors, as applicable, and Holders of Claims receiving distributions pursuant to this Plan 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 provision and intent of this Plan.

13.6 Dissolution of Creditors' Committee. Effective on the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon their members, professionals, and agents shall be released from any further duties, responsibilities, and liabilities in the Chapter 11 Cases and under the Bankruptcy Code, provided that obligations arising under confidentiality agreements, joint interest agreements, and protective orders entered during the Chapter 11 Cases shall remain in full force and effect according to their terms. The Creditors' Committee may make applications for Professional Claims. The Professionals retained by the Creditors' Committee and the respective members of the Creditors' Committee shall not be entitled to compensation and reimbursement of expenses for services rendered after the Effective Date, provided, however, notwithstanding the foregoing, the Professionals retained by the Creditors' Committee shall be entitled to submit invoices for compensation and reimbursement of expenses for time spent with respect to applications for the allowance of compensation and reimbursement of expenses filed after the Effective Date and have such allowed amounts paid from the Holdback Escrow Account consistent with the procedures for payment from the Holdback Escrow Account set forth herein.

13.7 Revocation, Withdrawal, or Non-Consummation.

(a) **Right to Revoke or Withdraw.** The Debtors reserve the right to revoke or withdraw this Plan in a manner consistent with the Plan Support Agreement at any time prior to the Effective Date and file subsequent chapter 11 plans.

(b) **Effect of Withdrawal, Revocation, or Non-Consummation.** If the Debtors revoke or withdraw this Plan prior to the Effective Date, or if the Confirmation Date or the Effective Date does not occur, then this Plan, any settlement or compromise embodied in

this Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims or the allocation of the distributions to be made hereunder), the assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan, and any document or agreement executed pursuant to this Plan shall be null and void in all respects. In such event, nothing contained herein or in the Disclosure Statement, and no acts taken in preparation for consummation of this Plan, shall be deemed to constitute a waiver or release of any Claims, Interests, or Causes of Action by or against the Debtors or any other Entity, to prejudice in any manner the rights and defenses of the Debtors, the Holder of a Claim or Interest, or any Entity in any further proceedings involving the Debtors, or to constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

13.8 Notices. After the Effective Date, any pleading, notice, or other document required by this Plan to be served on or delivered on the Parties below shall be served as follows:

If to the Debtors or the Reorganized Debtors:

Ryckman Creek Resources, LLC
3 Riverway, Suite 1100
Houston, TX 77056
Attention: General Counsel

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
155 N. Wacker Drive
Suite 2700
Chicago, IL 60610
Attention: George N. Panagakis
Jessica S. Kumar

-and-

Skadden, Arps, Slate, Meagher & Flom LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899
Attention: Sarah E. Pierce

If to the DIP Agent or the Agent for the Exit Facility:

1325 Avenue of the Americas, 6th Floor
New York, New York 10019
Attention: Patrick Kennedy

With a copy to:

1325 Avenue of the Americas, 11th Floor
New York, New York 10019
Attention: Cheryl LaBelle
Hans Beekmans

With a copy to:

Holland & Knight LLP
200 Crescent Court
Suite 1600
Dallas, Texas 75201
Attention: Robert W. Jones
Brent McIlwain

If to the Office of the United States Trustee:

Office of the United States Trustee for the District of Delaware
Room 2207, Lockbox 35
844 North King Street
Wilmington, Delaware 19801
Attention: Richard Schepacarter

13.9 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 Bankruptcy Code sections 105 or 362 or any order of the Bankruptcy Court, and existing 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.

13.10 Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York shall govern the construction and implementation of this Plan, any agreements, documents, and instruments executed in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control). Corporate governance matters shall be governed by the laws of the state of formation of the applicable Reorganized Debtor.

13.11 Entire Agreement. Except as otherwise indicated, this Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into this Plan.

13.12 Severability. If, prior to Confirmation, 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; provided, however, that any such revision, amendment, or modification must be consistent with the Plan Support Agreement. 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 (a) valid and enforceable pursuant to its terms, (b) integral to this Plan and may not be deleted or modified without the Debtors' consent, and (c) nonseverable and mutually dependent.

13.13 No Waiver or Estoppel. Upon the Effective Date, each Holder of a Claim or Interest shall be deemed to have waived any right to assert that its Claim or Interest should be Allowed in a certain amount, in a certain priority, be secured, or not be subordinated by virtue of an agreement made with the Debtors and/or their counsel, the Creditors' Committee and/or its counsel, or any other party, if such agreement was not disclosed in this Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court.

13.14 Conflicts. In the event that the provisions of the Disclosure Statement and the provisions of this Plan conflict, the terms of this Plan shall govern.

Dated: April 11, 2016

Respectfully submitted,

Ryckman Creek Resources, LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Ryckman Creek Resources Holding Company LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Rocky Mountains LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Midstream Partners LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Exhibit 1

Performance Covenants

[TO COME]

Exhibit 2

Upside Sharing Grid				
(if Class 5 votes to accept the Plan)⁴				
	First \$25MM	Next up to \$40MM	Next up to \$60MM	>\$60 MM
Class 5 Share after reaching CVR Threshold	75%	50%	15%	0%
Class A Common Units	15%	30%	55%	70%
Class B Common Units	10%	20%	30%	30%

⁴ In the event that Class 5 votes to reject the Plan, Class A Common Units and Class B Common Units shall share proceeds 70% and 30%, respectively, after the Preferred Units receive their liquidation preferences.

EXHIBIT B

Financial Projections

DEBTORS' PRO FORMA BALANCE SHEET AND LIQUIDITY PROJECTIONS

A. Introduction

The Debtors have prepared (1) a pro forma balance sheet (the "Pro Forma Balance Sheet") reflecting estimated reorganization adjustments and the transfer of assets to the Reorganized Debtors and (2) a financial projection (the "Financial Projection") for the 5 months ending December 31, 2016 and the fiscal years ending December 31, 2016 through December 31, 2020 (the "Projection Period" and the Pro Forma Balance Sheet and the Liquidity Projection, together, the "Projections"). The Projections were completed during May 2016 and were prepared on a consolidated basis consistent with the Debtors' financial reporting practices. These Projections have not been reviewed by an independent auditor. The Projections also do not include the impact of the application of "fresh-start accounting" as required by FASB ASC 852 "Reorganizations".

The Debtors have prepared the Projections to assist the Bankruptcy Court in determining whether the Plan meets the "feasibility" requirements of Bankruptcy Code section 1129(a) (11). The Debtors believe that the Plan meets such requirements. In connection with the negotiation and development of the Plan, and for the purpose of determining whether the Plan meets the feasibility standard outlined in the Bankruptcy Code, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources during the Projection Period. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in either the Disclosure Statement or the Plan, as applicable.

The Projections assume the Plan will be implemented in accordance with its stated terms and include, to the best of the Debtors' knowledge and belief, assumptions and judgments based on an estimated Effective Date of on or about August 5, 2016 (the "Assumed Effective Date"). Although the Debtors are of the opinion that these assumptions are reasonable under current circumstances, such assumptions are subject to inherent uncertainties, including but not limited to, material changes in the economic and competitive environment, ability to attract and retain key talent, wage rates, technology-related and other costs, commodity prices for crude oil and natural gas, the forward curves of such commodities, and other factors affecting the Reorganized Debtors' business. The Projections should be read in conjunction with the assumptions and qualifications contained herein. The likelihood of a change in any of the factors, assumptions, and judgments underlying these Projections, and related financial impact, cannot be predicted with certainty. Consequently, actual financial results could differ materially from the Projections.

The Debtors do not, as a matter of course, publish their projections, strategies, or forward-looking projections of their financial position, results of operations, and cash flows. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated

projections to the Holders of Claims or Interests after the date of this Disclosure Statement Exhibit or to otherwise make such information public. The assumptions disclosed herein are those that the Debtors believe to be significant to the Projections and are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“**GAAP**”) IN THE UNITED STATES. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM.

THE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES THAT ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, OR ANY OTHER PERSON, AS TO THE ACCURACY OF THE PROJECTIONS OR THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

B. Pro Forma Balance Sheet

The Debtors considered factors which may impact the Reorganized Debtors’ balance sheet upon emergence from Chapter 11 and applied these factors to the Debtors’ most recent balance sheet dated April 30, 2016. These adjustments have yielded a Pro Forma Balance Sheet which takes into account these estimates and assumptions.

The adjustments in the consolidated Pro Forma Balance Sheet are based on estimates available to the Debtors at the time this analysis was prepared and are unaudited. Actual adjustments will be based on the determined value on the Assumed Effective Date and may be materially different than those presented herein. No independent analysis on potential tax consequences of these proposed transactions has been performed, and thus could materially impact the results of the analysis presented below.

The Plan will be effectuated through a series of transactions on the Assumed Effective Date. Those emergence transactions are:

- A. The Debtors will have access to the Exit Facility in the amount of up to \$35,000,000. On the Assumed Effective Date, it is assumed that the Debtors will initially draw

\$27,000,000. Concurrent with this initial draw, any fees associated with the Exit Facility will be paid out of proceeds of the initial draw. As of April 30, 2016, the Debtors had a cash balance of approximately \$768,884 and forecast a cash balance of \$1,000,000 on the Assumed Effective Date.

- B. It is projected that as of the Assumed Effective Date there will be approximately \$3,500,000 in accrued and unpaid professional fees. These fees will be funded into an escrow account, and will be reflected as a pre-paid asset. These professional fees will be remitted to various Professionals in accordance with the Plan.
- C. The Debtors currently have an asset on their balance sheet of approximately \$8,086,570 related to costs associated with the Prepetition Credit Facility. It is assumed that these costs are written off as part of the restructuring process.
- D. Based upon the Debtors' Schedules and Proofs of Claim received to date, the Debtors estimate that approximately \$63,000,000 of trade debt will be restructured as part of the Plan. The Holders of these Claims will either receive Contingent Value Rights or their Pro Rata share of the Debtors' Unencumbered Assets along with the Prepetition Credit Agreement Deficiency Claims as part of the Plan. The balance of the accounts payable is estimated to be approximately \$2,814,777, relating to postpetition accounts payable and accrued liabilities and approximately \$2,000,000 relating to pre-petition intercompany claims. The pre-petition intercompany claims will be extinguished as part of the Plan.
- E. Approximately \$36,572,000 in accrued and unpaid interest due on the Debtors' Prepetition Credit Facility as of the Assumed Effective Date will be spread across the new capital structure as set forth in the Plan. As of April 30, 2016 the Debtors had approximately \$30,410,000 in accrued and unpaid interest as it relates to the Prepetition Credit Facility. The April 30, 2016 balances have been updated to reflect the estimated accrued interest outstanding as of August 5, 2016.
- F. The Debtors anticipate that as of the Assumed Effective Date, the balance on the DIP Facility will be approximately \$22,500,000 plus any accrued and outstanding interest. This balance will be converted into the Exit Facility pursuant to the terms of the Plan. As of April 30, 2016, the Debtors' outstanding balance on the DIP Facility was \$6,750,000. The April 30, 2016 balance has been updated to reflect the projected borrowings as of the Assumed Effective Date.
- G. As outlined in the Plan, the existing Prepetition Credit Agreement Secured Claims will be converted to either Senior New Notes, Junior New Notes, or Hybrid New Notes depending upon the classification of such Claim. The treatment of these Claims is outlined in the Plan as well as summarized in these Projections. The New Notes issued to satisfy these Claims total approximately \$160,878,665,. The balance of the Prepetition Credit Agreement Secured Claims, including Hedging Agreement Claims, to the extent secured, will convert to equity as outlined in the Plan
- H. No adjustment has been made to these Projection as it pertains to potential tax liabilities or "fresh-start accounting" as required by FASB ASC 852 "Reorganizations." Any

potential “fresh-start accounting” adjustments or tax impacts may impact the equity balances set forth in these projections.

The summary Pro Forma Balance Sheet is included as Schedule 1.

C. Financial Projections

To fund the operations and future potential expansion of the Reorganized Debtors’ natural gas storage facility, these Projections assume that the Reorganized Debtors will rely on operational cash flows as well as the Exit Facility. During the balance of 2016, the Debtors project that they will borrow an additional \$6,000,000 under the Exit Facility; however, beginning in 2018, internally generated cash flow will provide liquidity sufficient to begin repaying the borrowings. The Debtors believe their existing contracted customer base, combined with market demand provides a reliable and steady revenue base with which these projections were created. The Debtors have reviewed their cost structure and forecasted expected operating and administrative costs consistent with the operations of a natural gas storage facility of this size.

To fund potential expansion of the facility, the Debtors anticipate spending approximately \$2,000,000 in each of 2019 and 2020 to expand the working gas capacity of the facility and exploit potential additional liquid hydrocarbon production. These capital expenditures will be funded with operating cash flows. Schedule 2 includes the Financial Projection that demonstrates that the Debtors anticipate having sufficient liquidity during the Projection Period to satisfy all obligations that come due during the Projection Period. The Debtors and their post-petition lenders continue to negotiate the terms of the Senior New Notes and the Junior New Notes and have used estimated interest rates on such facilities to provide a reasonable estimate of cash flows.

SCHEDULE 1 - PRO FORMA EMERGENCE B/S	Consolidated Totals	Reorganization Adjustments	Notes	Pro Forma
	(Unaudited)	(Unaudited)		(Unaudited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 768,884	\$ 231,116	[A]	\$ 1,000,000
Accounts receivable	3,045,209	-		3,045,209
Accounts receivable - related parties	2,663	-		2,663
Prepays and other	300,000	3,500,000	[B]	3,800,000
Gas inventory	3,366,506	-		3,366,506
TOTAL CURRENT ASSETS	7,483,262	3,731,116		11,214,378
PROPERTY AND EQUIPMENT				
Gas storage facilities	340,479,108	-		340,479,108
Furniture, fixtures and equipment	1,864,116	-		1,864,116
	342,343,224	-		342,343,224
Less: accumulated depreciation	(20,404,380)	-		(20,404,380)
	321,938,844	-		321,938,844
Construction-in-progress	1,312,846	-		1,312,846
NET PROPERTY AND EQUIPMENT	323,251,690	-		323,251,690
DEBT ISSUE COSTS, net	8,086,570	(8,086,570)	[C]	-
RESTRICTED CASH	1,152,000	-		1,152,000
TOTAL ASSETS	\$ 339,973,522	\$ (4,355,454)		\$ 335,618,068
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 70,204,895	\$ (67,390,118)	[D]	\$ 2,814,777
Tranche A - Secondary - interest	325,451	(325,451)	[E]	-
Tranche B - Tertiary - interest	1,627,256	(1,627,256)	[E]	-
Tranche B - Secondary - interest	1,738,512	(1,738,512)	[E]	-
Tranche A - Initial - interest	7,187,445	(7,187,445)	[E]	-
Tranche B - Initial - interest	7,925,808	(7,925,808)	[E]	-
Term Loan - interest	17,767,717	(17,767,717)	[E]	-
Due to parent	-	-		-
TOTAL CURRENT LIABILITIES	106,777,085	(103,962,307)		2,814,777
LONG TERM DEBT				
Debtor-In-Possession Financing	22,500,000	(22,500,000)	[F]	-
Exit Facility Borrowings	-	27,000,000	[F]	27,000,000
Tranche A - Secondary	5,000,000	(5,000,000)	[G]	-
Tranche B - Tertiary	25,000,000	(25,000,000)	[G]	-
Tranche B - Secondary	15,000,000	(15,000,000)	[G]	-
Tranche A - Initial	50,000,000	(50,000,000)	[G]	-
Tranche B - Initial	55,000,000	(55,000,000)	[G]	-
Senior New Notes	-	68,188,752	[G]	68,188,752
Junior New Notes	-	37,689,913	[G]	37,689,913
Hybrid New Notes	-	55,000,000	[G]	55,000,000
Term Loan	160,000,000	(160,000,000)	[G]	-
TOTAL LONG TERM DEBT	332,500,000	(144,621,335)		187,878,665
DERIVATIVE INSTRUMENTS LIABILITY	1,518,763	(1,518,763)	[G]	-
TOTAL LIABILITIES	440,795,848	(250,102,405)		190,693,442
MEMBERS' EQUITY				
Preferred Units	-	185,693,525	[H]	185,693,525
Common Units	-	-		-
Other Members' Equity	(100,822,326)	60,053,427	[H]	(40,768,899)
Contingent Value Rights	-	-		-
TOTAL MEMBERS EQUITY	(100,822,326)	245,746,951		144,924,626
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 339,973,522	\$ (4,355,454)		\$ 335,618,068

SCHEDULE 2 - FINANCIAL PROJECTIONS	Aug-Dec				
\$ 000's	2016	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
Total Revenue	\$ 8,665	\$ 41,144	\$ 48,660	\$ 58,861	\$ 54,785
Total Cost of Sales	(6,965)	(19,442)	(13,817)	(19,817)	(13,817)
Total SG&A Costs	(2,810)	(6,016)	(6,088)	(6,088)	(6,088)
EBITDA	(1,110)	15,686	28,754	32,956	34,879
Less: Maintenance Capital Expenditures	(500)	(1,000)	(1,500)	(1,500)	(1,500)
Less: Growth Capital Expenditures	-	-	-	(2,000)	(2,000)
Less: Interest Expense (Exit Facility)	(528)	(1,293)	(938)	(456)	(102)
Less: Interest Expense (Senior New Notes)	(1,440)	(3,457)	(3,457)	(3,457)	(3,466)
Less: Interest Expense (Junior New Notes)	(1,591)	(3,821)	(3,821)	(3,821)	(3,832)
Less: Principal Amortization (Senior New Notes)	-	-	-	-	-
Exit Facility Borrowings (Repayments)	6,000	(3,000)	(15,000)	(15,000)	-
Estimated Cash Flow	\$ 831	\$ 3,115	\$ 4,038	\$ 6,722	\$ 23,980
Exit Facility Availability	2,000	5,000	20,000	35,000	35,000

EXHIBIT C

Liquidation Analysis

Ryckman Creek Resources, LLC, et al.
Liquidation Analysis / Best Interests of Creditors Test

Introduction

Pursuant to Bankruptcy Code section 1129(a)(7), often called the “best interests of creditors test,” holders of allowed, impaired claims must either (a) accept a plan of reorganization, or (b) receive or retain under the plan on account of such claim, property of a value, as of a plan’s effective date, that is not less than the value such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code. As demonstrated in this liquidation analysis (the “Liquidation Analysis”), the Debtors believe that the Plan meets the “best interests of creditors test” as set forth in Bankruptcy Code section 1129(a)(7). All capitalized terms not defined in the Liquidation Analysis have the meanings ascribed to them in the Plan and/or the Disclosure Statement.

The Debtors believe that Holders of Allowed Claims in each Impaired Class will receive at least as much under the Plan as they would if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Liquidation Analysis reflects the estimated Cash proceeds, net of liquidation-related costs, which are projected to be realized if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code.

General Liquidation Analysis Assumptions

Underlying the Liquidation Analysis are numerous estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by the Debtors’ management and advisors, are inherently subject to significant business, economic, regulatory, and competitive uncertainties, and contingencies beyond the control of the Debtors, their management, and their advisors. The Liquidation Analysis is also based on the Debtors’ best judgment of how numerous decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation, and actual results could materially differ from the results herein. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. Any balances reflected herein are unaudited and presented as such.

The Liquidation Analysis is based on Ryckman Creek Resources, LLC’s consolidated balance sheet as of May 31, 2016 except where otherwise noted. The Liquidation Analysis assumes the Chapter 11 Cases are converted to chapter 7 on August 5, 2016, and the Bankruptcy Court appoints a chapter 7 trustee (the “Chapter 7 Trustee”), who promptly commences a chapter 7 liquidation. For the purposes of this liquidation analysis it is assumed that the Chapter 7 Trustee would substantively consolidate all of the Debtors’ operations on the commencement of a liquidating scenario. **If the Debtors liquidated under chapter 7 of the Bankruptcy Code, but were not substantively consolidated for liquidation purposes, results of such a liquidation may be materially different than the results illustrated herein**

as to certain Creditors. The Debtors reserve all rights as to any potential substantive consolidation that may or may not be proposed in these cases.¹

It is assumed that the operations of the Debtors would continue for a six to eight week period during the liquidation under the direction of the Chapter 7 Trustee. During this time all of the Debtors' major assets (consisting primarily of the Ryckman Creek Facility – the Debtors' natural gas storage facility in Wyoming) would be sold or conveyed, and the Cash proceeds, net of liquidation related costs, would then be distributed to the Creditors in accordance with Bankruptcy Code section 726. This six to eight week assumption is primarily based on the anticipated speed with which the Chapter 7 Trustee would need to sell and liquidate the assets of the business before critical resources dissipate along with finite Cash available to the Chapter 7 Trustee. These critical resources include, but are not limited to, continued supply and credit support from vendors in connection with the Ryckman Creek Facility and retention of key employees at the facility. It is assumed that the Houston, Texas office lease would not be retained and, relatedly, the majority of the corporate employees would be released immediately, with the exception of key staff to facilitate accounting and gas dispatch operations. In an actual liquidation, the wind-down process and time period(s) could vary, thereby impacting recoveries. For example, there is the potential that the sale of the assets would extend beyond the six to eight week sale process; however, during this extended period of liquidation, the value of the business would further deteriorate to the point where the value of the assets of the estate are discounted even further by potential acquirers, which would further reduce recoveries for all Creditors. Following the sale of the assets, the Liquidation Analysis assumes the Chapter 7 Trustee would wind-down the estates in a timely manner.

To maximize recoveries to all Creditors, and given the unique nature of this asset, the Debtors have assumed that the facility could be sold as a going concern by the Chapter 7 Trustee. In the event that the facility could not be sold as a going concern recoveries would likely be materially lower than shown in the Liquidation Analysis.

There can be no assurance that the actual value realized in a sale of these assets would yield the balances assumed in the Liquidation Analysis. Furthermore, the fair market value of these assets could potentially be materially different if offered for sale during the ordinary course of business.

This Liquidation Analysis assumes that proceeds would be distributed in accordance with Bankruptcy Code section 726. If the Debtors were liquidated pursuant to chapter 7, the amount of liquidation value available to Creditors would be reduced, first, by the costs of the liquidation, which includes the net operational wind-down costs, fees and expenses of the Chapter 7 Trustee, fees and expenses of other professionals retained by the Chapter 7 Trustee to assist with the liquidation, environmental remediation expenses, and other asset disposition expenses; second, by the carve out under the DIP Facility for Professional Claims for professional fees; third, by the DIP Facility Claims; fourth, by the Prepetition Credit Agreement Secured Claims; fifth, by Chapter 11 Administrative Claims; sixth, by the Priority Tax Claims and Other Priority Claims; seventh, by the claims of unsecured claimants, including any potential

¹ The Debtors are currently conducting analysis of substantive consolidation and will update the Disclosure Statement and Plan prior to the Disclosure Statement Hearing.

deficiency claims from the secured lenders under the Prepetition Credit Agreement and eighth, any remaining value would go to Holders of Interests.

The Debtors currently maintain approximately \$1.2 million in restricted Cash at First Interstate Bank in Wyoming to secure a series of reclamation and other surety bonds. Additionally, the Debtors maintain \$0.3 million at Rabobank in an account specified for a security deposit on chapter 11 post-petition utility services. It is estimated that upon conversion of these cases to a chapter 7 liquidation, that these accounts would be used to satisfy the Creditors for which the funds are securing potential obligations; thus no recovery to secured or unsecured Creditors is assumed from these funds.

This Liquidation Analysis contains an estimate of Claims that ultimately will become Allowed Claims. Estimates for various Classes of Claims are based solely upon the Debtors' Schedules and Proofs of Claims filed as of the date of this Liquidation Analysis. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected levels set forth in this Liquidation Analysis. In preparing this Liquidation Analysis, the Debtors have projected amounts of Claims that are consistent with the estimated Claims reflected in the Disclosure Statement with certain modifications. This Liquidation Analysis does not contain estimates of Rejection Damages Claims; however, Rejection Damages Claims would not materially increase the estimated amount of General Unsecured Claims. This analysis should not be construed as an admission to any potential Claim value, or potential Rejection Damages Claims. In addition, for the purposes of this Liquidation Analysis, the Debtors assumed all purported Lien claimants hold General Unsecured Claims. However, this Liquidation Analysis does not purport to adjudicate any potential Secured Claims asserted by Creditors as filed in their Proofs of Claim. To the extent that such purported Lien claimants are found to hold valid Liens, such claims would recover according to their priority as further set forth below in *Note J*.

It is assumed that the asset sale transactions would be effectuated as a sale of the ownership interests in the Debtors' various assets without regard to any tax liabilities or benefits resulting from those sales. The Liquidation Analysis assumes certain equipment will be sold at prices below their book value, potentially generating a taxable benefit to the estate. These tax impacts have not been evaluated.

No analysis of potential Causes of Action has been performed in connection with this Liquidation Analysis due to the uncertain nature of the outcome surrounding such actions. Causes of Action, including any Avoidance Actions, that are released under the Plan would not be available for recovery in a chapter 11 plan scenario. By contrast, in a chapter 7 liquidation, recoveries from such Causes of Action would be available to Creditors, however, they are not included herein because of the speculative nature of the value of any such Causes of Action. With respect to Causes of Action that are not released under the Plan, there would be no difference in the recoveries of unsecured Creditors in a chapter 11 as compared to a chapter 7.

General Approach and Results of the Liquidation Analysis

The Debtors engage in the storage of natural gas in Wyoming, while taking part in the sale of proprietary natural gas liquids. To maximize total liquidation value, this Liquidation Analysis assumes that the Debtors' operating assets are sold during a six to eight week period after the conversion to a chapter 7 bankruptcy case. The Debtors' have generated two scenarios in which to evaluate the range of potential outcomes in a Chapter 7 Liquidation, a "High-Value Scenario" and a "Low-Value Scenario."

The estimated proceeds of a hypothetical chapter 7 liquidation for all assets of the four Debtor entities were calculated based on assumptions provided herein and applied to estimated Claims values for these entities to determine recovery estimates among Creditor Classes. In addition, these recovery estimates among Creditor Classes were compared to estimated recoveries under the Plan.

As demonstrated herein, all Impaired Creditor Classes are estimated to receive less in the Liquidation Analysis than under the Plan. In both the High-Value Scenario and the Low-Value Scenario, the professional fee carve-out, and the DIP Facility Claims receive a 100% recovery. In both the High-Value Scenario and the Low-Value Scenario, the Prepetition Credit Agreement Secured Claims are Impaired, and thus all other subordinate Claims Classes, including General Unsecured Claims and Prepetition Credit Agreement Deficiency Claims, are both Impaired and receive no recovery.

As noted above, in general, it is assumed that a conversion to a chapter 7 liquidation would result in immediate actions by the Chapter 7 Trustee to sell the Debtors' assets as quickly as possible. The Chapter 7 Trustee will seek to find an immediate buyer before the business deteriorates due to loss of critical resources as key employees resign, important vendors no longer cooperate and any other business pressures emerge that will erode the value of the Debtors' assets with a conversion to a chapter 7 liquidation.

The primary asset the Debtors would liquidate in a chapter 7 liquidation is the Ryckman Creek Facility, their 50 billion cubic feet (Bcf), Federal Energy Regulatory Commission regulated, natural gas storage facility in Uinta County, Wyoming. This facility is comprised of a variety of surface and subsurface equipment, facilities, and improvements. In addition, the Debtors maintain approximately 4.1 Bcf of natural gas in the facility on their own account. Given the need to maintain required reservoir pressure to effectuate contractual deliveries at Ryckman Creek, all of the gas owned by Ryckman Creek (the "Pad Gas") would be the last gas out of the reservoir, thus, it has been assumed that in any liquidation scenario that the Pad Gas would convey to the purchaser of the facility as part of a transaction. These assets are assumed to be liquidated as quickly as possible by the Chapter 7 Trustee, which may require the Chapter 7 Trustee to accept prices below current market value. Furthermore, it is assumed that in any sale process, the regulatory permits and certificates currently held by Ryckman Creek Resources, LLC and Peregrine Midstream Partners LLC will freely transfer to a purchaser of the facility with little to no additional permitting required.

Liquidation proceeds are distributed to Creditors pursuant to the distribution priorities established under the Bankruptcy Code. For the purposes of the Liquidation Analysis, it is assumed the Claims will be satisfied in the following order:

1. Chapter 7 Administrative Claims – Chapter 7 Trustee Fees; Chapter 7 Professional Fees; environmental remediation; operational wind down costs
2. Professional Fee Claims subject to the Carve-Out²
3. DIP Facility Claims
4. Prepetition Credit Agreement Secured Claims³

² As defined in the DIP Order.

5. Chapter 11 Administrative Claims
6. Priority Tax Claims and Other Priority Claims
7. General Unsecured Claims
8. Intercompany Claims
9. Holders of Interests

The estimated recovery for each of these Claims in the Liquidation Analysis is presented below:

	Unaudited Book Balances May 31, 2016	Estimated Asset Realization Percentage		Hypothetical Liquidation Values	
		Low	High	Low	High
		\$'000s			
Table I: Total Assets and Net Proceeds Available for Distribution					
Total Assets and Net Proceeds Available for Distribution	\$ 339,536	23%	50%	\$ 77,485	\$ 169,432

	Low Estimated Balance / Allowed Claim	High Estimated Balance / Allowed Claim	Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values	
			Low Recovery / High Claims	High Recovery / Low Claims	Low	High
			\$'000s			
Table II: Chapter 7 Administrative Claims						
Net Operational Winddown Costs	\$ 2,293	\$ 2,523	100%	100%	\$ 2,293	\$ 2,523
Chapter 7 Trustee Fees	2,310	5,068	100%	100%	2,310	5,068
Chapter 7 Professional Fees & Costs	150	500	100%	100%	150	500
Environmental Remediation / Land Reclamation	1,452	1,452	100%	100%	1,452	1,452
Total Chapter 7 Administrative Claims					6,205	9,543
Net Proceeds after Chapter 7 Administrative Claims					\$ 71,280	\$ 159,889

(cont'd from previous page)

³ For purposes of this Liquidation Analysis all of the Prepetition Credit Agreement Secured Claims are classified together as one class for illustrative purposes. In the event of a Chapter 7 liquidation, the Debtors believe that only the secured portion of the Prepetition Credit Agreement Secured Claims would be secured with the balance of the claims deemed a general unsecured claim, receiving no recovery in a liquidation scenario.

\$'000s

Table III: Estimated Creditor Recoveries

Class	Estimated Consolidated Claims		Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values		
	Low	High	Low	High	Low Recovery /	High Recovery /	
			Recovery /	Recovery /	High Claims	Low Claims	
1	Professional Fee Carve Out Claims	\$ 2,250	\$ 3,000	100%	100%	\$ 3,000	\$ 2,250
2	Super Priority Debtor-in-Possession Loan	23,500	24,500	100%	100%	24,500	23,500
3	Prepetition Credit Agreement Claims						
3a	Tranche A - Secondary	5,000	5,000	100%	100%	5,000	5,000
	Accrued / Unpaid Interest	334	334	100%	100%	334	334
3a	Tranche B - Tertiary	25,000	25,000	100%	100%	25,000	25,000
	Accrued / Unpaid Interest	1,668	1,668	100%	100%	1,668	1,668
3b	Tranche B - Secondary	15,000	15,000	79%	100%	11,779	15,000
	Accrued / Unpaid Interest	1,808	1,808	0%	100%	-	1,808
3c	Tranche A - Initial	50,000	50,000	0%	100%	-	50,000
	Accrued / Unpaid Interest	7,497	7,497	0%	100%	-	7,497
3d	Tranche B - Initial	55,000	55,000	0%	51%	-	27,833
	Accrued / Unpaid Interest	8,178	8,178	0%	0%	-	-
3e	Term Loans	160,000	160,000	0%	0%	-	-
	Accrued / Unpaid Interest	18,141	18,141	0%	0%	-	-
3f	Interest Rate Swaps	1,519	1,519	0%	0%	-	-
4	Chapter 11 Administrative Claims	650	750	0%	0%	-	-
5	Priority Claims	1,456	1,481	0%	0%	-	-
6	General Unsecured Claims	63,600	63,600	0%	0%	-	-
Total Consolidated Claims		\$ 440,600	\$ 442,475	16%	36%	\$ 71,280	\$ 159,889

Based on the estimated recoveries in the Plan and the Liquidation Analysis, it is the Debtors' opinion that the Plan satisfies the "best interests of creditors test." Under the Plan, each Creditor Class will receive at least the same value or significantly more than they would if the Debtors were in a chapter 7 liquidation.

Notes to Liquidation Analysis

Note A – Assets Available for Distribution

The Debtors' liquidation of assets in a chapter 7 bankruptcy will require the Chapter 7 Trustee to liquidate assets in an expedited manner. The Debtors' advisors and management relied on the unaudited balance sheet as of May 31, 2016 (except where otherwise noted) to estimate the recoveries for various asset classes with several adjustments. The Debtors' have four separate legal entities. For purposes of the Liquidation Analysis, the consolidated Debtors were evaluated on a consolidated basis and without regard to the potential impacts on a non-consolidated basis. A summary of the assets available for distribution in a High-Value Scenario and a Low-Value Scenario is presented below for the consolidated Debtors:

	Unaudited Book Balances May 31, 2016	Estimated Asset Realization Percentage		Hypothetical Liquidation Values	
		Low	High	Low	High
		\$'000s Table IV: Total Assets and Net Proceeds Available for Distribution			
Current Assets					
Cash & Cash Equivalents	\$ 490	100%	100%	\$ 490	\$ 490
Restricted Cash	1,452	0%	0%	0	0
Accounts Receivable	3,990	50%	80%	1,995	3,192
Accounts Receivable from Related Comp	3	0%	0%	0	0
Inventory ⁽¹⁾	3,367	0%	0%	-	-
Property, Plant and Equipment, net					
Gas Storage & Construction in Progress	322,361	23%	51%	75,000	165,750
Other Assets					
Debt Issue Costs, net	7,874	0%	0%	-	-
Total Assets and Net Proceeds Available for Distribution	\$ 339,536	23%	50%	\$ 77,485	\$ 169,432

⁽¹⁾Recoverable value from Inventory is assumed to be included in the Gas Storage & Construction in Progress recovery amounts.

Cash and cash equivalent balances for the purposes of liquidation are estimated to be the ending Cash balances at the consolidated Debtors as of August 5, 2016. The Cash and cash equivalent values are assumed to be realized at a 100% recovery level. Additionally, approximately \$1.5 million of restricted Cash will be used to satisfy outstanding environmental claims upon entering into a chapter 7 liquidation.

Accounts receivables are primarily related to the ongoing operations at the Ryckman Creek Facility, and are estimated to be liquidated for proceeds between 50-80%. The High-Value Scenario of the estimated recovery is attributable to the Debtors' concentrated customer base, thus allowing accounts receivables to be collected with greater ease. The Low-Value Scenario is based on the assumption that the Chapter 7 Trustee will only be able to sell these receivables to a third party at a discount. The accounts receivables are reported at book value with no discount for non-collectible receipts, which is consistent with historical payment history for the Debtors. The Debtors have assumed recoveries consistent with the high and low ranges on customer accounts that are currently being disputed between the contracted counterparties. Depending on the outcome of those negotiations, and any potential litigation, the recovery percentage on accounts receivable may be substantially lower than those estimated herein.

Accounts Receivable from Related Companies refers to accounts owed to the Debtors from Bear River Acquisition Corporation, a non-debtor related party. The Debtors believe these assets will be recovered at 0%.

Inventory primarily consists of Pad Gas in the ground owned by the Debtors, which serves as a functioning piece of the operations of the plant. The Debtors believe that the value created by the existence of the Pad Gas in the reservoir is captured in the sales price of the Ryckman Creek Facility. In the event that no buyer could be found, a scenario not contemplated in this analysis, it is assumed that the recoveries on the inventory will be 10% - 25% due to the limits on extraction and marketability of the gas belonging to the Debtors. The Debtors' existing customer contracts stipulate that customer gas is to be extracted first followed by the Pad Gas. Given the need to maintain required reservoir pressure to effectuate contractual deliveries at the Ryckman Creek Facility, all of the Pad Gas owned by Ryckman

would be the last gas out of the reservoir, thus, it has been assumed that there is a low probability of achieving market prices for the Debtors' natural gas currently stored in the facility. While the Debtors believe the gas can be recovered from the facility, it may take up to a year for the Pad Gas to be extracted and available for sale. It is assumed that any purchaser that the Chapter 7 Trustee could identify for such gas would ascribe a significant discount to it in light of the timeline of potential extraction.

The majority of the proceeds available to Creditors in a chapter 7 liquidation are from the sale of the Ryckman Creek Facility. As noted above, to maximize recoveries to all Creditors, and given the unique nature of this asset, the Debtors have assumed that the facility could be sold as a going concern by the Chapter 7 Trustee.⁴ The Debtors believe there is interest in the market from a variety of financial and strategic buyers that have the financial wherewithal to acquire a facility such as the Ryckman Creek Facility on an expedited timeline. In the High-Value Scenario, the Debtors and their advisors have relied on the current market transaction values for storage facilities on a dollar per Bcf basis to calculate the potential recovery that the Chapter 7 Trustee may be able to recovery. Given existing trading multiples on natural gas storage facilities, it is believed that Ryckman Creek could achieve a price of \$4 million per Bcf of working gas capacity; yielding approximately \$165.8 million for Creditors. In the Low-Value Scenario, the Debtors have assumed that the Chapter 7 Trustee could quickly identify a financial investor who would pay approximately \$75.0 million for the facility given the cash flow generation potential of an operating facility such as the Ryckman Creek Facility.

Note B – Net Operational Wind-down Costs

The cost to operate the business during the chapter 7 bankruptcy process is assumed to be covered by cash flow from the liquidation of the assets. For the purposes of the Liquidation Analysis, the Debtors management and advisors have assumed that the business rapidly deteriorates upon conversion to chapter 7 on August 5, 2016. During the liquidation, certain revenues may be generated as collections are made against outstanding accounts receivable; however, there will be costs associated with the ongoing wind-down of the business that exceed these revenues. The wind-down costs are primarily comprised of salaries for the employees, including severance, operating expenses, and payments to administrative professionals. For the purposes of the Liquidation Analysis, the Debtors have estimated that a wind-down of the estates will take six to eight weeks. The net cash flow from operating the business over the six to eight week period will be funded through the assets sales. The estimated net cash flow for the six week period is approximately negative \$2.3 million while the estimated net cash flow for the eight week period is approximately \$2.5 million.⁵

Note C – Trustee Fees of Chapter 7 Estates

⁴ The cessation of business in a liquidation could trigger certain claims that otherwise would not exist absent a liquidation.

⁵ The Debtors believe that the assumption that a sale process may be consummated in six to eight weeks maximizes potential recoveries available to creditors; however, significant risk exists in being able to achieve a sale process on such an expedited timeline due to Federal Energy Regulatory Commission permitting requirements. A sale process may take up to 12-months significantly increasing the potential Net Operational Wind-down Costs.

Compensation for the Chapter 7 Trustee was calculated as 3% of estimated assets available for distribution, excluding Cash on hand.

Note D – Chapter 7 Professional Fees & Costs

Chapter 7 Professional Fees & Costs include ongoing professional fees associated with winding down the business. These professional fees include transaction costs, audit and accounting fees, and legal support for the Chapter 7 Trustee. Once the asset sales are complete, certain corporate and administrative functions would be required to oversee the distribution of proceeds, to maintain and close the accounting records, and to prepare tax returns for the estates, among other things. It is assumed that chapter 7 professional fees will be in a range of \$150,000 - \$500,000.

Note E – Environmental Remediation

The Environmental Remediation expense includes the cost associated with reclamation of the land in Uinta County, Wyoming as secured by the reclamation bonds posted by the Debtors. These expenses include subsurface well plugging and abandonment costs; removal of various facilities from the properties; and other costs in connection with surface leases in place with the United States Bureau of Land Management and other third parties. While the facility is deemed to be sold as a going concern, it is assumed that the holders of various surety bonds against the Debtors will move to foreclose on those assets in the event of a conversion of these cases to a chapter 7 liquidation. In the event that the facility is sold, and the existing surety bonds would be transferred to the new purchaser, the Debtors do not believe such assets would be available to Creditors; however, in the event that such restricted Cash did become available for the benefit of the estate, the \$1.5 million in restricted Cash on the Debtors' balance sheet would not materially impact recoveries available to Creditors. Any potential environmental liabilities may vary significantly from the estimates reported herein.

Note F – Professional Fee Carve Out Claims

Professional Fee Claims subject to the Carve-Out consist of accrued and unpaid professional fees that arise during the administration of the Chapter 11 Cases. These claims are assumed to be incurred prior to the conversion to a chapter 7 liquidation on August 5, 2016. The projected accrued but unpaid professional fees range from \$2.3 million - \$3.0 million. In both the High-Value Scenario and the Low-Value Scenario, it is assumed that the Professional Fee Claims are paid in full.

Note G - DIP Facility Claims

DIP Facility Claims represent the amount funded under the DIP Facility pursuant to the DIP Order subsequent to the Petition Date, which is forecasted to be between \$23.5 million and \$24.5 million of principal, including accrued but unpaid interest as of August 5, 2016.

Note H – Prepetition Credit Agreement

The various tranches of Prepetition Credit Agreement Claims include the notes outstanding and accrued but unpaid interest as of the Petition Date or as of the conversion date depending on whether the tranches of debt are deemed fully secured. The Prepetition Credit Agreement Claims are secured by, among other things, substantially all of the assets of Ryckman Creek Resources, LLC. Both the High-Value Scenario

and the Low-Value Scenario represent the amount estimated to be owed on the date the case converts to a Chapter 7 liquidation.

The Prepetition Credit Agreement Claims would be satisfied from the proceeds attributable to the liquidation of the Debtors' assets if value exists after satisfaction of the chapter 7 administrative claims, Professional Fee Claims subject to the Carve Out, and DIP Facility Claims. As the Liquidation Analysis shows, there is a significant impairment of the Prepetition Credit Agreement Claims from the liquidation of the assets.

In a chapter 7 bankruptcy, with Claims below the Initial Tranche B Completion Loans receiving no recovery in the High Value Scenario, and Claims below Initial Tranche A Completion Loans receiving no recovery in the Low Value Scenario.⁶

Note I – Priority Tax Claims

Priority Tax Claims arise from obligations due to various domestic taxing authorities.

Note J – General Unsecured Claims

General Unsecured Claims primarily consist of the trade payables and intercompany payables.

The Debtors have assumed for the purposes of this analysis that all purported Lien claimants will receive General Unsecured Claims. To the extent that any asserted Lien claims are deemed to be secured by valid Liens senior in priority to the Prepetition Credit Agreement Secured Claims, such Claims would recover ahead of the Prepetition Credit Agreement Secured Claims, causing recoveries to be adjusted accordingly.

The amount of General Unsecured Claims included in the analysis does not include the deficiency claims related to the Prepetition Credit Agreement, which are material, as demonstrated by the Liquidation Analysis. The Prepetition Credit Agreement Deficiency Claims are projected to range from \$217.1 million - \$307.6 million.

The Debtors have provided a “low-claim” scenario and “high-claim” scenario for use in the Liquidation Analysis, as a final determination of the General Unsecured Claims pool has yet to be determined, and the Debtors have not begun the Claims reconciliation process. **These estimates are based on the Debtors' analysis of existing Claims and contracts, and should not to be considered as a final acknowledgment or settlement of any potential Claims.**

Note K – Intercompany Claims & Interests

It is assumed that no Intercompany Claims or Interests will be satisfied in the Liquidation Analysis as more senior Creditors are Impaired. In addition, in the Liquidation Analysis, the General Unsecured Claims Class is Impaired, and therefore prepetition Holders of Interests are estimated to receive no recovery in the event of liquidation under chapter 7 of the Bankruptcy Code.

⁶ Considering the Prepetition Credit Agreement Claims in the aggregate, such claims would recover between 13% and 38%.

EXHIBIT D

Debtors' Corporate Structure Chart

Corporate Structure

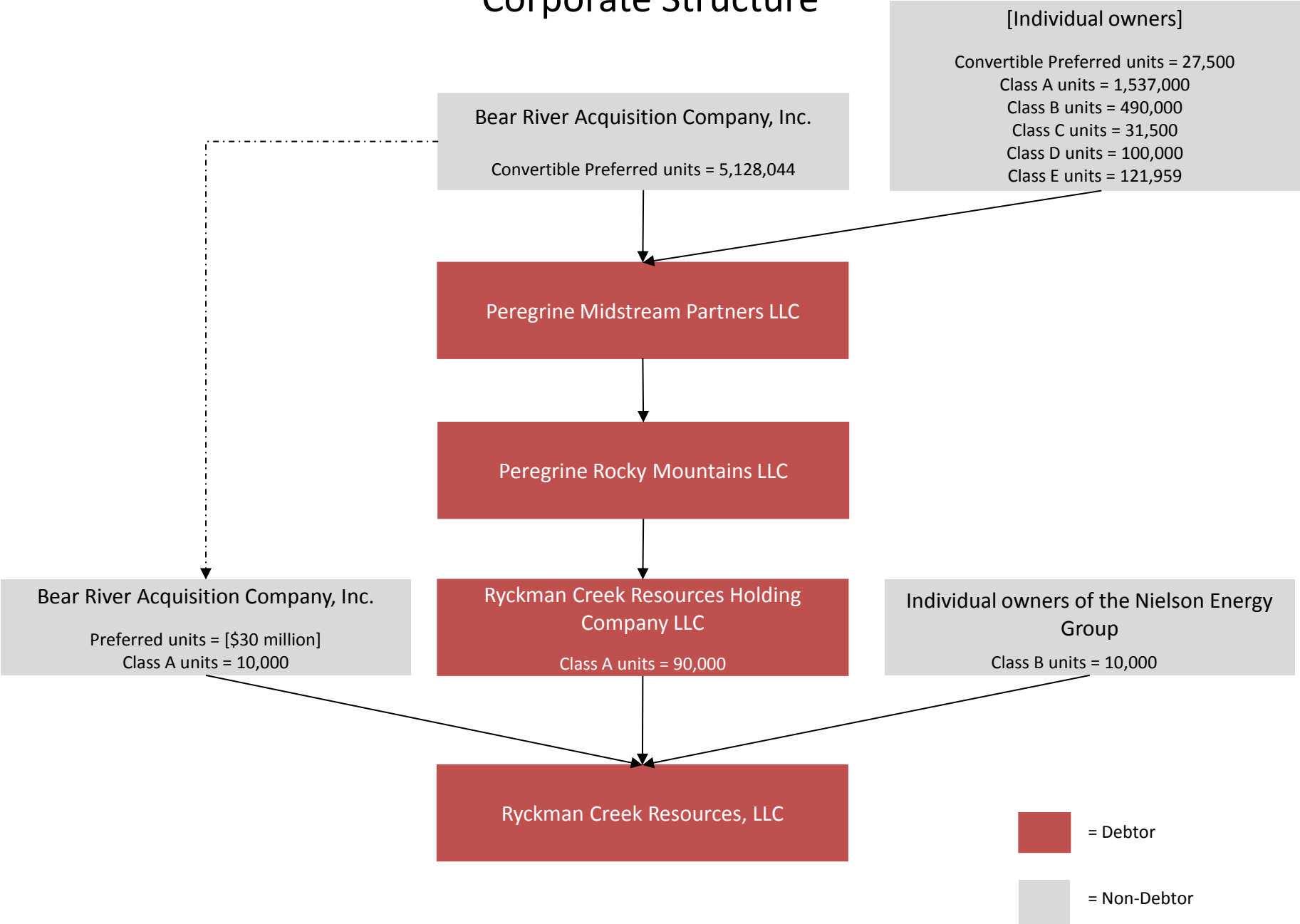


EXHIBIT E

Disclosure Statement Approval Order

[•]

EXHIBIT 2

**THIS DISCLOSURE STATEMENT HAS
NOT YET BEEN APPROVED BY THE COURT**

This proposed Disclosure Statement is not a solicitation of acceptance or rejection of the Plan of Reorganization. Acceptances or rejections may not be solicited until the Bankruptcy Court has approved this Disclosure Statement under Bankruptcy Code section 1125. This proposed Disclosure Statement is being submitted for approval only, and has not yet been approved by the Bankruptcy Court.

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

----- X
: :
: Chapter 11
In re: : :
: Case No. 16-10292 (KJC)
RYCKMAN CREEK RESOURCES, LLC, : :
et al., : Jointly Administered
: :
Debtors.¹ :
X

**FIRST AMENDED DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT
CHAPTER 11 PLAN OF REORGANIZATION OF RYCKMAN CREEK RESOURCES,
LLC AND ITS
AFFILIATED DEBTORS AND DEBTORS IN POSSESSION**

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Counsel for Debtors and Debtors in Possession

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors' corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.

Dated: Wilmington, Delaware

~~April 11~~June 8, 2016

DISCLAIMER

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTORS' PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT ASSUME AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THIS DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE STATEMENT.

EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETIES BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT, AND THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY

NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS UNDER RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, UNLESS SPECIFICALLY INDICATED OTHERWISE.

THE FINANCIAL PROJECTIONS, ATTACHED HERETO AS EXHIBIT B AND DESCRIBED IN THIS DISCLOSURE STATEMENT, HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT TOGETHER WITH THEIR ADVISORS. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, MAY NOT ULTIMATELY BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND MAY NOT HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP").

PLEASE REFER TO ARTICLE VIII OF THIS DISCLOSURE STATEMENT, ENTITLED "PLAN-RELATED RISK FACTORS AND ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN" FOR A DISCUSSION OF CERTAIN FACTORS THAT A CREDITOR VOTING ON THE PLAN SHOULD CONSIDER.

FOR A VOTE ON THE PLAN TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS LLC, THE DEBTORS' CLAIMS, NOTICING, AND SOLICITATION AGENT, NO LATER THAN 4:00 P.M. (PACIFIC), ON ~~JUNE-23~~[JULY 28](#), 2016. SUCH BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE

SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE III OF THIS DISCLOSURE STATEMENT AND IN THIS DISCLOSURE STATEMENT ORDER. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL NOT BE COUNTED UNLESS OTHERWISE DETERMINED BY THE DEBTORS IN THEIR SOLE AND ABSOLUTE DISCRETION.

THE CONFIRMATION HEARING WILL COMMENCE ON ~~JULY 7~~AUGUST 2, 2016 AT 10:00 (EASTERN), BEFORE THE HONORABLE KEVIN J. CAREY, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, WILMINGTON, DELAWARE 19801. THE DEBTORS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND THE ENTITIES WHO HAVE FILED AN OBJECTION TO THE PLAN. THE BANKRUPTCY COURT, IN ITS DISCRETION AND BEFORE THE CONFIRMATION HEARING, MAY PUT IN PLACE ADDITIONAL PROCEDURES GOVERNING THE CONFIRMATION HEARING. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS ~~JUNE 23~~JULY 26, 2016 AT 4:00 P.M. (PACIFIC). ALL PLAN OBJECTIONS MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE DEBTORS AND CERTAIN OTHER PARTIES IN INTEREST IN ACCORDANCE WITH THIS DISCLOSURE STATEMENT ORDER SO THAT THEY ARE RECEIVED ON OR BEFORE THE PLAN OBJECTION DEADLINE.

THE PLAN, THIS DISCLOSURE STATEMENT, THE PLAN SUPPLEMENT AND EXHIBITS, ONCE FILED, AND OTHER DOCUMENTS AND MATERIALS RELATED THERETO MAY BE OBTAINED BY: (I) ACCESSING THE DEBTORS' RESTRUCTURING WEBSITE AT [HTTP://WWW.KCCLCC.NET/RYCKMAN](http://www.kcclcc.net/ryckman), (II) EMAILING RYCKMANINFO@KCCLLC.COM, (III) CALLING THE DEBTORS' RESTRUCTURING HOTLINE AT (877) 634-7178, WITHIN THE UNITED STATES OR CANADA, OR (424) 236-7224, OUTSIDE OF THE UNITED STATES OR CANADA, OR (IV) ACCESSING THE COURT'S WEBSITE AT [HTTP://WWW.DEB.USCOURTS.GOV](http://www.deb.uscourts.gov). COPIES OF SUCH DOCUMENTS AND MATERIALS MAY ALSO BE EXAMINED BETWEEN THE HOURS OF 8:00 AM AND 4:00 PM, MONDAY THROUGH FRIDAY, EXCLUDING FEDERAL HOLIDAYS, AT THE OFFICE OF THE CLERK OF THE COURT, 824 NORTH MARKET STREET, 3RD FLOOR, WILMINGTON, DELAWARE 19801.

EXECUTIVE SUMMARY

On February 2, 2016 (the “Petition Date”), Ryckman Creek Resources, LLC (“Ryckman”) and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors” or the “Company”) each commenced a case in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). As described further below, since the Petition Date, the Debtors have continued to operate their business and manage their properties as debtors and debtors in possession under sections 1107(a) and 1108 of title 11 of the United States Code (the “Bankruptcy Code”).

The Debtors’ proposal for the reorganization of their business is set forth in the Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its Affiliated Debtors and Debtors in Possession, a copy of which is attached hereto as Exhibit A (the “Plan”).² As described below, the Plan is supported by the Supporting Creditors under the Plan Support Agreement.

This Disclosure Statement contains, among other things, descriptions and summaries of provisions of the Debtors’ proposed Plan, as attached hereto. Certain provisions of the Plan, and thus the description and summaries contained herein, may be the subject of continuing negotiations among the Debtors and various parties. Accordingly, the Debtors reserve the right to modify the Plan consistent with Bankruptcy Code section 1127, Rule 3019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Article XIII of the Plan.

The Plan provides for an equitable distribution of recoveries to the Debtors’ Creditors, preserves the value of the Debtors’ business as a going concern, and preserves the jobs of employees. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation or attempts by another party in interest to file a plan, could result in significant delays, litigation and costs, the loss of jobs by the Debtors’ employees, and/or impaired recoveries. Moreover, the Debtors believe that the Debtors’ Creditors will receive greater and earlier recoveries under the Plan than those that would be achieved in liquidation or under an alternative plan. **For these reasons, the Debtors urge you to return your ballot accepting the Plan.**

² All capitalized terms not otherwise defined shall have the meanings ascribed to them in the Plan.

Plan Overview and Summary of Distributions

The following summary is a general overview only and is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and financial statements and notes thereto appearing elsewhere in this Disclosure Statement with respect to the Plan and the Plan itself.

A. Overview of the Plan

In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either Unencumbered Assets or Contingent Value Rights.

In particular, the Plan provides for the following key terms and mechanics:

- **Exit Facility**: On the Effective Date, the DIP Facility shall be converted into, and the Reorganized Debtors, as borrowers, will enter into, the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors. Confirmation of the Plan shall be deemed approval of the Exit Facility and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such Exit Facility.
- **Issuance of the New Notes**: On or after the Effective Date, the Reorganized Debtors shall issue New Notes which (i) shall be secured by a lien on substantially all of the assets of the Reorganized Debtors, which lien will be junior in priority to the lien securing the Exit Facility, (ii) shall have the various tranches and terms set forth in the Plan and the Plan Supplement, (iii) shall be subject to the New AAL, (iv) shall be subject to an unlimited guaranty by Reorganized Holdings that is secured by a lien on all assets of Reorganized Holdings, and (v) shall contain the performance covenants set forth on Exhibit 1 of the Plan.
- **Issuance of the New Holdings Equity**: On the Effective Date, Reorganized Holdings shall authorize and issue New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units.
- **Issuance of Contingent Value Rights**. If the General Unsecured Creditors vote, as a Class, to accept the Plan, the Reorganized Debtors shall issue to such General Unsecured Creditors certain Contingent Value Rights, which shall

enable the holders thereof to receive a percentage of the proceeds of the Reorganized Debtors pursuant to the Upside Sharing Grid after achievement of the CVR Threshold.

- Cancellation of Prepetition Credit Agreement: On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to (i) all notes, instruments, certificates, and other documents evidencing the Credit Facilities (ii) the Old AAL, (iii) the Disbursement Agreement, and (iv) Interests, and the obligations in any way related thereto (including the foregoing items (i), (ii), (iii), and (iv)).

The Reorganized Debtors' capital structure at emergence will consist of the following:

Debt	
Exit Facility	Up to \$35 million
Senior New Notes	67.9 68.2 million
Junior New Notes/Hybrid Notes	92.5 92.7 million
Equity	
New Holdings Equity	14.1 14.1 million

Following consummation of the Plan, the Debtors' balance sheet will be deleveraged by more than ~~249~~250 million. At emergence, the Debtors anticipate that they will have liquidity of approximately ~~9.5~~11 million due to a combination of Cash on hand and availability under the Exit Facility.

B. Summary of Treatment of Claims and Interests under the Plan³

The Plan contains separate Classes for Holders of Claims and Interests. Under Bankruptcy Code section 1122, set forth below is a designation of classes of Claims and Interests. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date. In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims, DIP Facility Claims,

³ The Debtors are currently in the process of reviewing filed Proofs of Claim and finalizing the Valuation Analysis. The Debtors will update and/or supply the estimated claim amounts and recovery percentages in the below table prior to the Disclosure Statement Hearing.

Professional Claims, and Priority Tax Claims have not been classified. The treatment of all such unclassified claims is set forth in Article II of the Plan.

The table below summarizes the classification and treatment of Claims and Interests under the Plan. These summaries are qualified in their entirety by reference to the provisions of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article VI below. The tables below also set forth the estimated percentage recovery for Holders of Claims and Interests in each Class, and the Debtors’ estimates of the amount of Claims that will ultimately become Allowed in each Class based upon (i) review by the Debtors of their books and records, (ii) all Claims scheduled by the Debtors, and (iii) consideration of the provisions of the Plan that affect the allowance of certain Claims.⁴ The aggregate Claim amounts in each Class and the estimated percentage recoveries in the table below are set forth for the Debtors on a consolidated basis.

Class Description ⁵	Proposed Treatment
Unclassified Claims	
Administrative Claims Estimated Recovery: 100% Estimated Amount: \$[●] million <u>700,000</u>	Administrative Claims consist of the Administrative Claims of each of the Debtors. Except to the extent that the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Administrative Claim agree to a less favorable treatment, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim either (a) on the later of (x) the Initial Distribution Date; or (y) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when an Administrative Claim becomes an Allowed

⁴ Although the Debtors believe that the estimated recoveries are reasonable, there is no assurance that the actual amounts of Allowed Claims in each Class will not materially exceed the estimated aggregate amounts shown in the table below. The actual recoveries under the Plan will depend upon a variety of factors, including: (i) the reconciliation of asserted claims; (ii) cure amounts; (iii) whether, and in what amount and with what priority, contingent Claims against the Debtors become non-contingent and fixed; (iv) whether, and to what extent, Disputed Claims are resolved in favor of the Debtors. Accordingly, no representation can be or is being made with respect to whether each estimated recovery amount shown in the table above will be realized; and (v) any and all other factors set forth in Article VIII “Plan-Related Risk Factors.”

⁵ The Debtors are currently in the process of reviewing filed Proofs of Claim and finalizing the Valuation Analysis. In addition, the Creditors’ Committee is engaged in an analysis of the Unencumbered Assets. The Debtors will update and/or supply the estimated Claim amounts and recovery percentages in the below table prior to the Disclosure Statement Hearing.

Class Description ⁵	Proposed Treatment
	<p>Administrative Claim or (ii) 30 days after the date when an Administrative Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Administrative Claim; or (b) if the Allowed Administrative Claim is an Ordinary Course Administrative Claim, in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; provided, however, that other than Holders of (i) a Professional Claim, (ii) an Administrative Claim Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iii) an Ordinary Course Administrative Claim that is not Disputed, the Holder of any Administrative Claim shall have filed a Proof of Claim form no later than the Administrative Claims Bar Date and such Claim shall have become an Allowed Claim.</p>
<p>DIP Facility Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$21.524.5 million</p>	<p>DIP Facility Claims consist of Claims arising under, derived from, based upon, or as a result of the DIP Facility.</p> <p>On the Effective Date, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every DIP Facility Claim, the DIP Facility Claims shall convert into the Exit Facility pursuant to the terms of the Exit Facility Credit Agreement.</p>
<p>Priority Tax Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$1.5 million</p>	<p>Priority Tax Claims consist of the Priority Tax Claims of each of the Debtors.</p> <p>On the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when a Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) 30 days after the date when a Priority Tax Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Priority Tax Claim, except to the extent that the Debtors (or Reorganized Debtors) and a Holder of an Allowed Priority Tax Claim agree to a less favorable treatment, each Holder of an Allowed</p>

Class Description ⁵	Proposed Treatment
	<p>Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim: (x) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (y) Cash in an amount agreed to by the Debtors (or the Reorganized Debtors) and such Holder, <u>provided, however</u>, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (z) at the sole option of the Reorganized Debtors, Cash in the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to Bankruptcy Code section 1129(a)(9)(C). To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.</p>
Classified Claims	
<p>Class 1: Other Secured Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$[•] million <u>100,000</u>⁶</p>	<p>Class 1 consists of the Other Secured Claims.</p> <p>Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 1 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 1 Claim, each such Holder of an Allowed Class 1 Claim shall, at the election of the Debtors or the Reorganized Debtors (with the approval of the Required Consenting Parties), as applicable:</p> <p>(i) have its Allowed Class 1 Claim Reinstated and rendered Unimpaired on the Effective Date in accordance with Bankruptcy Code section 1124(2), notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder</p>

⁶ [This amount assumes that purported contractors' and oil & gas liens asserted by certain parties will be reclassified as general unsecured claims. See discussion infra Article VIII.D.](#)

Class Description ⁵	Proposed Treatment
	<p>of an Allowed Class 1 Claim to demand or receive payment of such Allowed Class 1 Claim prior to the stated maturity of such Allowed Class 1 Claim from and after the occurrence of a default;</p> <p>(ii) be paid in full in Cash or Cash equivalents in an amount equal to such Allowed Class 1 Claim, including postpetition interest, if any, on such Allowed Class 1 Claim required to be paid pursuant to Bankruptcy Code section 506, on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim; or</p> <p>(iii) receive the collateral securing its Allowed Class 1 Claim free and clear of Liens, Claims, and encumbrances on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim, provided that such collateral, as of the day prior to the Effective Date, was property of the Estates.</p>
<p>Class 2: Other Priority Claims</p> <p>Estimated Recovery: 100% Estimated Amount: F-\$0</p>	<p>Class 2 consists of the Other Priority Claims.</p> <p>Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 2 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 2 Claim, each such Holder of an Allowed Class 2 Claim shall be paid in full in Cash on the first Periodic Distribution Date occurring after the later of (i) the Effective Date and (ii) 30 days after the date when a Class 2 Claim becomes an Allowed Claim; <u>provided, however</u>, that Other Priority Claims that arise in the ordinary course of the Debtors' business and which are not due and</p>

Class Description ⁵	Proposed Treatment
	payable on or before the Effective Date shall be paid in the ordinary course of business.
<p>Class 3: Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: #{1} <u>164.8</u> million</p>	<p>Class 3 consists of the Prepetition Credit Agreement Secured Claims and all Hedging Agreement Secured Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 3 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 3 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 Claim shall receive on account of such Class 3 Claim (i) the New Notes and (ii) the New Holdings Equity, which shall be provided in accordance with the treatment set forth for the Class 3 subclasses.</p>
<p>Subclass 3-A: Secondary Tranche A Completion Loan Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: #{5.3} million</p>	<p>Subclass 3-A consists of the Secondary Tranche A Completion Loan Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Secondary Tranche A Completion Loans shall receive Series A-1 Senior Notes in an amount equal to the original principal amount of the Secondary Tranche A Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.</p>
<p>Subclass 3-B: Tertiary Tranche B Completion Loan Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: #{26.5} <u>26.6</u> million</p>	<p>Subclass 3-B consists of the Tertiary Tranche B Completion Loan Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Tertiary Tranche B Completion Loans shall receive the Series B Senior Notes in an amount equal to the original principal amount of the Tertiary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.</p>
<p>Subclass 3-C: Initial Tranche A Completion Loan Secured Claims of DIP Lenders</p> <p>Estimated Recovery: {100}% Estimated Amount: #{36.1} <u>36.2</u> million</p>	<p>Subclass 3-C consists of the Initial Tranche A Completion Loan Secured Claims of DIP Lenders.</p> <p>Holders of Allowed Secured Claims on account of Initial Tranche A Completion Loans who are DIP Lenders shall receive Series A-2 Senior Notes in an amount equal to the principal amount of DIP Loans provided by such Holder, up to a maximum amount of Allowed Secured Claims on account of Initial Tranche</p>

Class Description ⁵	Proposed Treatment
<p>Subclass 3-D: Other Initial Tranche A Completion Loan Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: }\${20.8}<u>20.9</u> million</p>	<p>A Completion Loans.</p> <p>Subclass 3-D consists of the Other Initial Tranche A Completion Loan Secured Claims.</p> <p>After giving effect to distributions to Subclass 3-C, Holders of Allowed Secured Claims on account of any remaining principal of, and accrued unpaid interest through the Effective Date of the Plan on, Initial Tranche A Completion Loans shall receive Series A Junior Notes in an amount equal to such principal and accrued interest amounts.</p>
<p>Subclass 3-E: Secondary Tranche B Completion Loan Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: }\${16.6}<u>16.7</u> million</p>	<p>Subclass 3-E consists of the Secondary Tranche B Completion Loan Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Secondary Tranche B Completion Loans shall receive the Series B Junior Notes in an amount equal to the original principal amount of the Secondary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.</p>
<p>Subclass 3-F: Initial Tranche B Completion Loan Principal Secured Claims</p> <p>Estimated Recovery: {100}% Estimated Amount: }\${55} million</p>	<p>Subclass 3-F consists of the Initial Tranche B Completion Loan Principal Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Initial Tranche B Completion Loan Principal shall receive the Hybrid New Notes in an amount equal to the original principal amount of the Initial Tranche B Completion Loans.</p>
<p>Subclass 3-G: Initial Tranche B Converted Interest Secured Claims</p> <p>Estimated Recovery: {0}<u>10-100</u>% Estimated Amount: }\${0}<u>200,000</u> million</p>	<p>Subclass 3-G consists of the Initial Tranche B Converted Interest Secured Claims.</p> <p>Holders of Allowed Secured Claims for Initial Tranche B Converted Interest shall receive New Class B Preferred Units and New Class B Common Units in exchange for the Initial Tranche B Converted Interest through the Effective Date of the Plan.</p>
<p>Subclass 3-H: Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders</p> <p>Estimated Recovery: {0}<u>10-100</u>% Estimated Amount: }\${0}<u>2.2</u> million</p>	<p>Subclass 3-H consists of the Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are DIP Lenders and Tranche A Completion Loan Lenders shall receive (i) Series A-1 Preferred Units on a Pro Rata basis based on the</p>

Class Description ⁵	Proposed Treatment
	<p>amount of DIP Facility Claims of each Holder, (ii) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-I Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (iii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iv) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.</p> <p>The Series A-1 Preferred Units received by such Holders shall first reduce the amount of Series A-3 Preferred Units received by such Holder before reducing the amount of Series A-2 Preferred Units received by such Holder.</p>
<p>Subclass 3-I: Term Loan Secured Claims of Tranche A Completion Loan Lenders</p> <p>Estimated Recovery: 0<u>10</u>-100% Estimated Amount: \$0<u>1.1</u> million</p>	<p>Subclass 3-I consists of the Term Loan Secured Claims of Tranche A Completion Loan Lenders.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are Tranche A Completion Loan Lenders but are not DIP Lenders shall receive (i) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-H Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction (with respect to Holders in Subclass 3-H) for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (ii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims</p>

Class Description ⁵	Proposed Treatment
	(up to the total amount of Junior Term Loan Claims) of such Holder, and (iii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.
<p>Subclass 3-J: Other Term Loan Secured Claims and Hedging Agreement Claims</p> <p>Estimated Recovery: 10-100% Estimated Amount: \$600,000 million</p>	<p>Subclass 3-J consists of the Other Term Loan Secured Claims and Hedging Agreement Secured Claims.</p> <p>Holders of Allowed Secured Claims on account of Term Loans who are neither DIP Lenders nor Tranche A Completion Loan Lenders and Holders of Allowed Hedging Agreement Secured Claims shall receive (i) Series A-3 Preferred Units on a Pro Rata basis with Subclasses 3-H and 3-I based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder after reduction, first, (with respect to Holders in Subclasses 3-H and 3-I) for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder and (ii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-I Claims based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder.</p>
<p>Class 4: Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims</p> <p>Estimated Recovery: 100% Estimated Amount: \$181.6 million</p>	<p>Class 4 consists of all Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 4 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 4 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets; provided, however, that in the event that Class 5 Votes as a Class to accept the Plan, Holders of Class 4 Claims</p>

Class Description ⁵	Proposed Treatment
	shall waive any recovery on account of their Class 4 Claims.
<p>Class 5: General Unsecured Claims</p> <p>Estimated Recovery: 10<u>47</u>% Estimated Amount: \$1<u>\$61.7</u> million</p>	<p>Class 5 consists of all General Unsecured Claims.</p> <p>Except to the extent that a Holder of an Allowed Class 5 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata Share of the Contingent Value Rights, and shall be deemed to have waived any right to recover from the proceeds of the Unencumbered Assets, or (ii) in the event that Class 5 Votes as a class to reject the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets.</p>
<p>Class 6: Intercompany Claims</p> <p>Estimated Recovery: 0% Estimated Amount: \$1<u>\$11.9</u> million</p>	<p>Class 6 consists of all Intercompany Claims.</p> <p>On the Effective Date, all net Allowed Class 6 Claims (taking into account any setoffs of Intercompany Claims) shall be released, waived, and discharged without payment or distribution.</p>
<p>Class 7: Subordinated Claims</p> <p>Estimated Recovery: 0% Estimated Amount: \$0</p>	<p>Class 7 consists of all Subordinated Claims.</p> <p>Holders of Allowed Class 7 Claims shall not receive any distributions on account of such Allowed Class 7 Claims, and on the Effective Date all Allowed Class 7 Claims shall be released, waived, and discharged.</p>
<p>Class 8: Interests</p> <p>Estimated Recovery: 0% Estimated Amount: \$0</p>	<p>Class 8 consists of all Interests.</p> <p>On the Effective Date, Allowed Class 8 Interests shall be deemed automatically cancelled, released, and extinguished without further action by the Debtors or the Reorganized Debtors and the obligations of the Debtors and the Reorganized Debtors thereunder shall be discharged and the Holders of Allowed Class 8 Interests shall not receive or retain any property or interests on account of such Class 8 Interest.</p>

THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR THE HOLDERS OF CLAIMS. THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

A VOTE TO ACCEPT THE PLAN OR A DECISION TO ABSTAIN FROM VOTING ON THE PLAN CONSTITUTES YOUR CONSENT TO THE RELEASE SET FORTH IN ARTICLE X OF THE PLAN OF THE PARTIES SPECIFIED IN ARTICLE X OF THE PLAN UNLESS YOU OPT OUT OF SUCH RELEASE IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN YOUR BALLOT.

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| **Exhibit B** {Financial Projections}

| **Exhibit C** {Liquidation Analysis}

Exhibit D Corporate Structure Chart

Exhibit E Disclosure Statement Approval Order

ARTICLE I.

INTRODUCTION

The Company was formed on September 8, 2009 to engage in the acquisition, development, marketing, and operation of an underground natural gas storage facility (the “Ryckman Creek Facility”). The Ryckman Creek Facility is a depleted crude oil and natural gas reservoir located approximately 25 miles southwest of the Opal Hub in Uinta County, Wyoming.⁶⁷ The Company began development of the reservoir into a natural gas storage facility in 2011. Currently, the Ryckman Creek Facility has approximately 42 billion cubic feet (Bcf) of working natural gas storage capacity and is permitted for 53 Bcf of storage capacity.

On February 2, 2016 the Debtors filed voluntary petitions for relief under the Bankruptcy Code and commenced the Chapter 11 Cases. The Debtors’ cases are pending in the Bankruptcy Court and are jointly administered under Case No. 16-10292 (KJC). No trustee has been appointed in the Chapter 11 Cases. On February 12, 2016, the Office of the United States Trustee for the District of Delaware (the “United States Trustee”) appointed an official committee of unsecured Creditors (the “Creditors’ Committee”) under Bankruptcy Code section 1102.

The Debtors’ proposal for reorganization of their business is set forth in the Plan, a copy of which is attached hereto as Exhibit A.

This Disclosure Statement sets forth certain information regarding the Debtors’ prepetition operations and financial history, their reasons for seeking protection under chapter 11, and significant events that have occurred during the Chapter 11 Cases. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the requirements for confirmation of the Plan and the voting procedures that Holders of Claims entitled to vote on the Plan must follow for their votes to be counted. All capitalized terms used and not otherwise defined in this Disclosure Statement shall have the meanings ascribed to such terms in the Plan.

FOR A DESCRIPTION OF THE PLAN AND THE VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN AS IT RELATES TO HOLDERS OF CLAIMS AND INTERESTS, PLEASE SEE ARTICLES VIII AND X HEREIN.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN

⁶⁷ The Ryckman Creek Facility includes the former Canyon Creek Compression Facility purchased by the Debtors from Kinder Morgan.

DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS IN THE CHAPTER 11 CASES, AND CERTAIN FINANCIAL INFORMATION. TO THE EXTENT ANY PORTION OF THIS DISCLOSURE STATEMENT CONFLICTS WITH THE PLAN, THE PLAN SHALL GOVERN. ALTHOUGH THE DEBTORS BELIEVE THAT THE SUMMARIES CONTAINED HEREIN ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE DOCUMENTS OR STATUTORY PROVISIONS THEY ARE SUMMARIZING. THE DEBTORS' MANAGEMENT HAS PROVIDED THE FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

ARTICLE II.

OVERVIEW OF THE PLAN

A. Summary of the Plan.

The Plan is supported by the Supporting Creditors under the Plan Support Agreement. In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either unencumbered assets or contingent value rights that will allow for payment to unsecured Creditors under the Debtors' secured Creditors are paid.

In particular, the Plan provides for the following key terms and mechanics:⁷⁸

- Exit Facility: On the Effective Date, the DIP Facility shall be converted into, and the Reorganized Debtors, as borrowers, will enter into, the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors. Confirmation of the Plan shall be deemed approval of the Exit Facility and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such Exit Facility.

⁷⁸ Any summaries or descriptions of the Plan are qualified in their entirety by reference to the provisions of the Plan. For a more detailed description of the terms and provisions of the Plan, see Article VI below.

- Issuance of the New Notes: On or after the Effective Date, the Reorganized Debtors shall issue New Notes which (i) shall be secured by a lien on substantially all of the assets of the Reorganized Debtors, which lien will be junior in priority to the lien securing the Exit Facility, (ii) shall have the various tranches and terms set forth in the Plan and the Plan Supplement, (iii) shall be subject to the New AAL, (iv) shall be subject to an unlimited guaranty by Reorganized Holdings that is secured by a lien on all assets of Reorganized Holdings, and (v) shall contain the performance covenants set forth on Exhibit 1 of the Plan.
- Issuance of the New Holdings Equity: On the Effective Date, Reorganized Holdings shall authorize and issue New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units.
- Issuance of Contingent Value Rights. If the General Unsecured Creditors vote, as a Class, to accept the Plan, the Reorganized Debtors shall issue to such General Unsecured Creditors certain Contingent Value Rights, which shall enable the holders thereof to receive a percentage of the proceeds of the Reorganized Debtors pursuant to the Upside Sharing Grid after achievement of the CVR Threshold.
- Cancellation of Prepetition Credit Agreement: On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to (i) all notes, instruments, certificates, and other documents evidencing the Credit Facilities (ii) the Old AAL, (iii) the Disbursement Agreement, and (iv) Interests, and the obligations in any way related thereto (including the foregoing items (i), (ii), (iii), and (iv)).

The Reorganized Debtors' capital structure at emergence will consist of the following:

Debt	
Exit Facility	Up to \$35 million
Senior New Notes	67.9 68.2 million
Junior New Notes/Hybrid Notes	92.5 92.7 million
Equity	
New Holdings Equity	0 4.1 million

Following consummation of the Plan, the Debtors' balance sheet will be deleveraged by more than \$~~249~~250 million. At emergence, the Debtors anticipate that they will have liquidity of approximately \$~~9.5~~11 million due to a combination of Cash on hand and availability under the Exit Facility.

B. Unclassified Claims

In accordance with Bankruptcy Code section 1123(a)(1), the Plan does not classify Administrative Claims, DIP Facility Claims, Professional Claims, and Priority Tax Claims. These Claims are therefore excluded from the Classes of Claims set forth in Article II of the Plan. The projected percentage of recoveries provided below are projected as of April, 2016.

Claim	Plan Treatment	Projected Recovery Under the Plan
DIP Facility Claims	Converted to Exit Facility	100%
Administrative Claims	Paid in full	100%
Priority Tax Claims	Paid in full	100%

C. Treatment of Claims and Interests Under the Plan

The table below summarizes the classification, treatment, and estimated percentage recoveries of the Claims and Interests under the Plan. Estimated percentage recoveries have been calculated based upon a number of assumptions. For certain Classes of Claims, the actual percentage recovery is contingent upon a number of factors.

Class	Claim or Interest	Status	Estimated % Recovery Under the Plan
1	Other Secured Claims	Unimpaired	100%
2	Other Priority Claims	Unimpaired	100%
3	Prepetition Credit Agreement Secured Claims	Impaired	0-100 %
4	Prepetition Credit Agreement Deficiency Claims	Impaired	0-10 %
5	General Unsecured Claims	Impaired	0-47 %
6	Intercompany Claims	Impaired	0%
7	Subordinated Debt Claims	Impaired	0%
8	Interests	Impaired	0%

D. Liquidation and Valuation Analyses

The Debtors have prepared a liquidation analysis, attached hereto as Exhibit C (the "Liquidation Analysis"), and a valuation analysis (the "Valuation Analysis"), described more fully in Article VII.D. below, to assist Holders of Claims and Interests in evaluating the Plan.

The Liquidation Analysis compares the Creditor recoveries to be realized if the Debtors were to be liquidated in a hypothetical case under chapter 7 of the Bankruptcy Code with the distributions to Holders of Allowed Claims and Interests under the Plan. The analysis is based upon the estimated value of the Debtors' assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. Further, both analyses are subject to potentially material changes including with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the Debtors could vary materially from the estimates provided in the Liquidation Analysis, and the actual total enterprise value of the Reorganized Debtors could vary materially from the implied valuation contained in the Valuation Analysis.



The Debtors believe that the Plan provides the same or a greater recovery for Holders of Allowed Claims and Interests as would be achieved in a liquidation under chapter 7 of the Bankruptcy Code because of, among other things, the additional Administrative Claims generated by conversion to a chapter 7 case, the administrative costs of liquidation and associated delays in connection with a chapter 7 liquidation, the negative impact on the market for the Debtors' assets caused by attempting to sell a large number of assets in a short time frame, and the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets, each of which likely would diminish the value of the Debtors' assets available for distributions.

ARTICLE III.

VOTING PROCEDURES

A. Voting Status of Each Class

Under the Bankruptcy Code, Creditors are entitled to vote if their contractual rights are Impaired by the Plan and they are receiving a distribution under the Plan. Creditors are not entitled to vote if their contractual rights are Unimpaired by the Plan or if they will receive no distribution of property under the Plan. The following table sets forth which Classes of Claims will or will not be entitled to vote on the Plan:

<u>Class</u>	<u>Claim or Interest</u>	<u>Status</u>	<u>Voting Rights</u>
<u>1</u>	<u>Other Secured Claims</u>	<u>Unimpaired</u>	<u>Deemed to Accept</u>
<u>2</u>	<u>Other Priority Claims</u>	<u>Unimpaired</u>	<u>Deemed to Accept</u>
<u>3</u>	<u>Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>4</u>	<u>Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>5</u>	<u>General Unsecured Claims</u>	<u>Impaired</u>	<u>Entitled to Vote</u>
<u>6</u>	<u>Intercompany Claims</u>	<u>Impaired</u>	<u>Deemed to Reject</u>
<u>7</u>	<u>Subordinated Debt Claims</u>	<u>Impaired</u>	<u>Deemed to Reject</u>

<u>8</u>	<u>Interests</u>	<u>Impaired</u>	<u>Deemed to Reject</u>
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B. Classes Entitled to Vote

The following Classes are the only Classes entitled to vote to accept or reject the Plan:

Class	Claim or Interest	Status
3-A	Secondary Tranche A Completion Loan Secured Claims	Impaired
3-B	Tertiary Tranche B Completion Loan Secured Claims	Impaired
3-C	Initial Tranche A Completion Loan Secured Claims of DIP Lenders	Impaired
3-D	Other Initial Tranche A Completion Loan Secured Claims	Impaired
3-E	Secondary Tranche B Completion Loan Secured Claims	Impaired
3-F	Initial Tranche B Completion Loan Principal Secured Claims	Impaired
3-G	Initial Tranche B Completion Loan Interest Secured Claims	Impaired
3-H	Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders	Impaired
3-I	Term Loan Secured Claims of Tranche A Completion Loan Lenders	Impaired
3-J	Other Term Loan Secured Claims and Hedging Agreement Secured Claims	Impaired
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired
5	General Unsecured Claims	Impaired

If your Claim or Interest is not included in any of these Classes, you are not entitled to vote and you will not receive a Solicitation Package.

A. Classes Entitled to Vote

Under the Bankruptcy Code, acceptance of a plan of reorganization by a Class of Claims is determined by calculating the number and the amount of Claims voting to accept, based on the actual total Allowed Claims voting on the Plan. Acceptance by a Class requires more than one-half of the number of total Allowed Claims in the Class to vote in favor of the Plan and at least two-thirds in dollar amount of the total Allowed Claims in the Class to vote in favor of the Plan. ~~In addition, under the Bankruptcy Code, Creditors are not entitled to vote if their contractual rights are Unimpaired by the Plan or if they will receive no distribution of property under the Plan. The following table sets forth which Classes of Claims will or will not be entitled to vote on the Plan:~~

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept
2	Other Priority Claims	Unimpaired	Deemed to Accept
3	Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims	Impaired	Entitled to Vote
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Subordinated Debt Claims	Impaired	Deemed to Reject
8	Interests	Impaired	Deemed to Reject

B.C. Voting Procedures

The Debtors retained Kurtzman Carson Consultants LLC (“KCC” or the “Claims, Noticing, and Solicitation Agent”) to, among other things, act as the Debtors’ agent in connection with the solicitation of votes to accept or reject the Plan.

The Voting Record Date (as defined in the Disclosure Statement Motion)⁸⁹ is ~~May 18~~ **June 23**, 2016. The Voting Record Date is the date for determining (i) which Holders of Claims are entitled to vote to accept or reject the Plan and receive the Solicitation Package in

⁸⁹ As used herein, the “Disclosure Statement Motion” refers to the Motion of the Debtors for Entry of an Order Approving (I) Disclosure Statement and Notice of the Disclosure Statement Hearing,; (II) Plan Support Agreement, (III) Hearing Date to Consider confirmation of the Plan and Procedures for Filing Objections to the Plan, (IV) Solicitation Agent and Deadlines Related to Solicitation and Confirmation, (V) Solicitation Procedures for Confirmation of the Plan, and (VI) Voting and General Tabulation Procedures [[Docket No. 235](#)], including the solicitation timeline as amended by the [Notice of Filing of Revised Solicitation Timeline with Respect to the Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its Affiliated Debtors and Debtors in Possession \[Docket No. 278\]](#) (the “Revised Solicitation Timeline”).

accordance with the Solicitation Procedures (as defined in the Disclosure Statement Motion) and (ii) whether Claims have been properly assigned or transferred to an assignee under Bankruptcy Rule 3001(e) such that the assignee can vote as the Holder of a Claim. The Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' Creditors and other parties in interest.

Under the Plan, Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. In order for the Holder of a Claim in the Voting Classes to have such Holder's Ballot (as defined in the Solicitation Motion) counted as a vote to accept or reject the Plan, such Holder's Ballot, must be properly completed, executed, and delivered in accordance with the instructions included in the Ballot by: (i) first class mail; (ii) courier; or (iii) personal delivery to the Claims, Noticing, and Solicitation Agent, so that such Holder's Ballot is **actually received** by the Claims, Noticing, and Solicitation Agent prior to **4:00 p.m. (Pacific) on ~~June 23~~[July 28], 2016** (the "Voting Deadline"). It is important that the Holder of a Claim in the Voting Classes follow the specific instructions provided on such Holder's Ballot and the accompanying instructions.

IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE IN THEIR SOLE AND ABSOLUTE DISCRETION.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST.

IT IS IMPORTANT TO FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON EACH BALLOT, AS APPROPRIATE, WHEN SUBMITTING A VOTE.

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT, OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS DISCLOSURE STATEMENT, THE PLAN, OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE CLAIMS, NOTICING, AND SOLICITATION AGENT, KCC, AT (877) 634-7178, WITHIN THE UNITED STATES OR CANADA, OR (424) 236-7224, OUTSIDE OF THE UNITED STATES OR CANADA, OR AT RYCKMANINFO@KCCLLC.COM.

ARTICLE IV.

GENERAL INFORMATION

A. Overview of the Company's Business

Ryckman was formed in 2009, and operates as a Delaware limited liability company. The Debtors' headquarters is located in Houston, Texas. The Debtors engage in the acquisition, development, marketing, and operation of the Ryckman Creek Facility. The Ryckman Creek Facility is a depleted crude oil and natural gas reservoir located approximately 25 miles southwest of the Opal Hub in Uinta County, Wyoming. The Company began development of the reservoir into a natural gas storage facility in 2011. Currently, the Ryckman Creek Facility has approximately 42 Bcf of working natural gas storage capacity and is permitted for 53 Bcf of storage capacity.

The Ryckman Creek Facility interconnects with five major interstate gas pipelines—the Questar, Ruby, Kern River, Northwest, and Overthrust—and is the only available gas storage facility on two of the pipelines, the Ruby and Kern River. In addition, the Debtors have the ability to act as a receipt and delivery point for an additional four major pipelines—Cheyenne Plains, Colorado Interstate Gas, Wyoming Interstate Company, and Rocky Mountain Express. The Ryckman Creek Facility's favorable location and direct connections to key pipelines provides multiple outlets for gas and enhanced optionality to the Debtors' customers. In particular, it allows for distribution to several key consumer markets, including California, Nevada, the northern Rockies, the Pacific Northwest, and the Midwest.

The Ryckman Creek Facility is repurposed from a partially-depleted oil and gas reservoir, which offers several advantages – the underground formation is geologically capable of holding natural gas, and the extraction and distribution equipment previously used in the extraction of oil or gas may be used as part of the storage facility's operations.

The Debtors' business is comprised of three primary components – storage of customer natural gas, proprietary trading of inventory gas, and production of liquid hydrocarbons residing in the reservoir.

1. Natural Gas Storage

Once produced and transported, natural gas is not always immediately needed, due in part to seasonal fluctuations in demand. Storage of natural gas ensures that excess supply can be stored when demand is lower – generally, in the summer months – and is available when demand is higher – generally, in the winter months. The storage of natural gas also serves as insurance against any unforeseen events, such as accidents or natural disasters, that may affect the production or delivery of natural gas. In addition, natural gas storage facilities provide commercial and economic benefits to users of such storage, as gas can be stored when prices are low and can be withdrawn and sold when prices are high. Accordingly, the Company has entered into and will continue to enter into, various contracts with customers – primarily

exploration and production companies, natural gas utility operators, and various financial institutions engaged in the trading of commodities. Under these contracts, customers may inject natural gas in the Ryckman Creek Facility when supply exceeds their needs or when customers otherwise wish to maintain a reserve of natural gas and withdraw such gas on demand or as otherwise specified in the contract. Natural gas storage is the Company's largest business segment, currently representing nearly all of the Debtors' projected storage volumes and revenues.

2. Proprietary Trading

To enable the Company to capitalize on market fluctuations in the price of natural gas, as well as satisfy customer demand, and pipeline quality specifications, the Company intends to purchase natural gas from gas producers and store such gas for later sale to third parties. Currently, the Debtors own approximately 4.1 Bcf of natural gas that is used as pad gas.⁹¹⁰ The Debtors, however, believe that as additional customers engage in storage operations at the Ryckman Creek Facility, the Debtors will be able to trade their 4.1 Bcf of natural gas as propriety gas if and when market conditions prove favorable.

3. Liquid Hydrocarbon Production

In addition to storage of natural gas and proprietary trading, a projected small part of the Company's business will involve the production of liquid hydrocarbons from the depleted reservoir.

B. Prepetition Corporate and Capital Structure

1. Corporate Structure

The Debtors in the Chapter 11 Cases are Ryckman, Ryckman Creek Resources Holding Company LLC ("Holdings"), Peregrine Rocky Mountains LLC ("Rocky Mountains"), and Peregrine Midstream Partners LLC ("Peregrine Midstream"). Ryckman, a Delaware limited liability company, owns the Ryckman Creek Facility. Holdings, also a Delaware limited liability company, is the holding company for Ryckman and owns 90,000 Class A units of Ryckman. Bear River Acquisition Company Inc. ("Bear River") owns 10,000 Class A units of Ryckman as well as approximately 31,879 Preferred Units (defined below) of Ryckman. Ryckman also issued 10,000 Class B units, which are held by various individuals and entities associated with Nielson Energy Group, LLC (the "Nielson Equity Holders"). Entities in the ownership structure above Holdings are, respectively, Rocky Mountains, Peregrine Midstream, and Bear River.

⁹¹⁰ Pad gas, also known as permanent gas, refers to gas used to fill empty space in the reservoir to ensure that there is an adequate level of gas to maintain the latent pressure for the operability of the reservoir ("Pad Gas").

The Debtors have approximately 35 employees. Of those, 30 are employed by Ryckman and the other five are employed by Peregrine Midstream but also provide services to Ryckman pursuant to a services agreement.

2. Capital Structure

The Company's original capital structure at formation and for much of the construction phase of the project was fairly straightforward, consisting of \$120,000,000 in term loan debt, a \$40,000,000 revolving credit facility, and equity.⁺¹¹ This capital structure was anticipated to be sufficient to bring the project into operation. However, various construction setbacks and other issues, as described in more detail below, increased the cost of the project. Initially, in May of 2014, Bear River provided an additional \$50,000,000 advance loan as subordinated debt. When this proved insufficient, Ryckman worked with its existing lenders and equity sponsor to obtain additional liquidity. The layered capital structure described below is the result of this additional funding.

As of the Petition Date, Ryckman had approximately \$333,000,000 of prepetition debt which was comprised of the following principal amounts plus accrued interest:⁺¹²

- Tranche A Completion Loans: \$55,000,000 in principal amount of tranche A debt, which is subdivided into two tranches, the Initial Tranche A Completion Loans in the principal amount of \$50,000,000 and the Secondary Tranche A Completion Loans in the principal amount of \$5,000,000;
- Tranche B Completion Loans: \$95,000,000 in principal amount of tranche B debt, which is subdivided into three tranches, the Initial Tranche B Completion Loans in the principal amount of \$55,000,000, the Secondary Tranche B Completion Loans in the principal amount of \$15,000,000, and the Tertiary Tranche B Completion Loans (defined below) in the amount of \$25,000,000; and
- Term Loans: \$160,000,000 in principal amount of term loans.⁺¹³

(a) Prepetition Credit Facility

⁺¹¹ The capital structure also included an incremental facility and an inventory management facility.

⁺¹² Ryckman is the only borrower under the Second Amended and Restated Credit Agreement and the Amended and Restated Credit Agreement.

⁺¹³ In addition, there is an approximate \$1,200,000 outstanding mark to market and settlement liability related to the Ryckman's interest rate swaps with two Prepetition Lenders.

Ryckman is a borrower under that certain Second Amended and Restated Credit Agreement, dated as of October 31, 2014 (as the same has been amended, supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date, the “Prepetition Credit Agreement”), with ING Capital LLC (“ING”), as administrative agent and as collateral agent for the secured parties, the Bank of New York Mellon (“BONY”), as depository, and the tranche A lenders (the “Tranche A Lenders”), and Bear River, as the tranche B lender (the “Tranche B Lender” and together with the Tranche A Lenders, the “Completion Loan Lenders”).

The Prepetition Credit Facility is secured by (i) liens on substantially all of the assets of Ryckman, (ii) pledges of the Class A units of Ryckman by Holdings and Bear River, and (iii) pledges of the Class B units of Ryckman by the Nielson Equity Holders.

(b) Tranche A Completion Loan Commitment

Under the Prepetition Credit Agreement, the Tranche A Lenders committed to advance term loans in the aggregate principal amount of \$55,000,000 to finance project costs. The first \$50,000,000 of the Tranche A Loans (the “Initial Tranche A Completion Loans”) and the remaining \$5,000,000 in Tranche A Loans (the “Secondary Tranche A Completion Loans” and together with the Initial Tranche A Loans, the “Tranche A Completion Loans”) are fully funded. The Tranche A Completion Loans mature on December 31, 2018.

(c) Tranche B Completion Loan Commitment

Bear River initially committed to advance term loans to finance project costs in the aggregate principal amount of \$55,000,000 (comprised of \$50,000,000 of Initial Tranche B Completion Loans and \$5,000,000 of Secondary Tranche B Completion Loans). Subsequently, pursuant to various amendments to the Prepetition Credit Agreement, the Tranche B Lenders increased the Secondary Tranche B Completion Loans by an additional \$15,000,000 so that the aggregate Secondary Tranche B Completion Loan commitment was \$20,000,000 and the aggregate Tranche B Completion Loan commitment was \$70,000,000. Finally, on October 13, 2015, Ryckman, the Completion Loan Lenders, ING, and the Depository entered into the seventh amendment to the Prepetition Credit Agreement (the “Seventh Amendment”). Under the Seventh Amendment, Bear River upsized its commitment by another \$25,000,000 to \$95,000,000 in the aggregate. The first \$55,000,000 of the Tranche B Completion Loans (the “Initial Tranche B Loans”), the next \$15,000,000 in Tranche B Completion Loans (the “Secondary Tranche B Loans”), and the final \$25,000,000 in Tranche B Completion Loans (the “Tertiary Tranche B Loans” and together with the Initial Tranche B Completion Loans and the Secondary Tranche B Completion Loans, the “Tranche B Completion Loans”) are all fully funded. The Tranche B Completion Loans mature on December 31, 2018.

(d) Term Loan Commitment

At the time the Prepetition Credit Agreement was entered into, certain revolving and term loans made under the prior Amended and Restated Credit Agreement, dated as of May 15, 2014, with ING as administrative agent and BONY as depository and the lenders party thereto (the “Term Loan Lenders” and, together with the Completion Loan Lenders, the “Prepetition Lenders”), were restructured.⁴³¹⁴ As a result of the restructuring, as of the Petition Date, term loans in the aggregate principal amount of approximately \$160,000,000 (the “Term Loans”) remain outstanding.⁴⁴¹⁵ The Term Loans mature on December 31, 2018.

(e) Priority of Payment of Prepetition Credit Facility Obligations

The Prepetition Lenders are party to that certain Agreement Among Lenders (as amended, restated, or supplemented from time to time, the “Agreement Among Lenders”). In addition, Ryckman, ING, and BONY are party to a certain Second Amended and Restated Disbursement Agreement (as amended, restated, or supplemented from time to time, the “Disbursement Agreement”). The Agreement Among Lenders and the Disbursement Agreement set forth the priority of payment between and among the Completion Loan Lenders and the Term Loan Lenders. In general, from and after a Cessation Event (as defined in the Disbursement Agreement)⁴⁵¹⁶:

- Payment of the principal and interest on the Tertiary Tranche B Completion Loans and the Secondary Tranche A Completion Loans is pari passu and senior in right of payment to the other outstanding indebtedness (collectively, the “First Priority Debt”).
- The principal and interest on the Initial Tranche A Completion Loans, the principal and interest on the Secondary Tranche B Completion Loans, and the principal on the Initial Tranche B Completion Loans are pari passu and next in priority (collectively, the “Second Priority Debt”).

⁴³¹⁴ Under the Prepetition Credit Agreement, certain Inventory Loan Commitments (as defined in the Prepetition Credit Agreement) were terminated and none remain outstanding. In addition, certain Incremental Loan Commitments (as defined in the Second Amended and Restated Credit Agreement) were terminated and the outstanding Incremental Loans were deemed to have been repaid to ING. Finally, \$40,000,000 outstanding under a revolving facility was converted to term loans.

⁴⁴¹⁵ This amount is comprised of \$120,000,000 in term loans outstanding under the Amended and Restated Credit Agreement and \$40,000,000 in revolving loans under the Amended and Restated Credit Agreement which were converted to term loans under the Second Amended and Restated Credit Agreement. In addition, approximately \$1,200,000 remains outstanding as a liability under certain hedging agreements.

⁴⁵¹⁶ A Cessation Event includes a voluntary or involuntary filing for bankruptcy by Ryckman.

- Finally, the Term Loan principal and interest is pari passu with the interest on the Initial Tranche B Completion Loans and junior to the First Priority Debt and the Second Priority Debt (collectively, the “Third Priority Debt”).

(f) Equity

Under the Prepetition Credit Agreement, all principal and interest under that certain Subordinated Advanced Note and Unit Purchase Agreement, dated as of June 2, 2014 with Bear River, pursuant to which Bear River had advanced \$30,000,000 in subordinated debt was exchanged for preferred member interests in Ryckman (the “Preferred Units”). As a result, Bear River holds 34,879.46 Preferred Units in Ryckman. In addition, as set forth above, Holdings holds 90,000 Class A units and Bear River holds 10,000 Class A Units of Ryckman. Individual owners of the Nielson Energy group hold all 10,000 of Ryckman’s Class B units. Rocky Mountains holds all 750,000 Class A Units of Holdings. Peregrine Midstream wholly owns Rocky Mountains. Bear River is the majority owner of Peregrine Midstream.

C. The Company’s Board of Managers

The following persons comprise the boards of managers of the Debtors (the “Board of Managers”):⁺⁶¹⁷

Peregrine Midstream	
Name	Position
Alex Darden	Manager
Andy Lang	Manager
Geoff Roberts	Manager
Roger Kelley	Manager
Jeffrey H. Foutch	Manager

Ryckman	
Name	Position
Roger Kelley	Manager
Jeffrey H. Foutch	Manager
Robert Foss	Manager

D. Executive Officers and Senior Management of the Debtors

⁺⁶¹⁷ Peregrine Rocky Mountains and Holdings are member-managed.

The executive officers and senior management team of the Debtors is composed of highly capable professionals with substantial experience. The Debtors' executive officers and management team consists of the following individuals:¹⁷¹⁸

Name	Position
Robert Foss	Chief Executive Officer & President
James Ruth	Executive Vice President & General Counsel
Jeffrey H. Foutch	Executive Vice President & Chief Commercial Officer
K. Charles Sawyer	Vice President, Earth Sciences & Regulatory
Rob Weisgarber	Interim Chief Executive Officer
Thomas B. Osmun	Chief Restructuring Officer
Robert D. Albergotti	Vice President of Restructuring

ARTICLE V.

THE CHAPTER 11 CASES

The following is a general summary of the Chapter 11 Cases, including certain events preceding the Chapter 11 Cases and the Debtors' restructuring initiatives implemented since the Petition Date.

A. Events Leading to the Commencement of the Chapter 11 Cases

1. Construction Issues/NRU Failure

Construction on the Ryckman Creek Facility began in the summer of 2011 under the direction of Company management and a third-party general contractor, Troy Construction, L.L.C. ("Troy"). The Ryckman Creek Facility began commercial operations in late 2012 and received injections of customer gas and gas purchased by the Company.

During limited commercial operations in April 2013, the nitrogen removal unit ("NRU"), a key piece of equipment at the Ryckman Creek Facility, failed and ignited a fire. As a result, the Ryckman Creek Facility suffered substantial damage that required significant repairs and replacement of not only the NRU but other key equipment as well. These required repairs and replacements led to delays in restarting commercial operations, leading to significant incremental costs to the original construction costs.¹⁸¹⁹

¹⁷¹⁸ The executive officers and senior management of Ryckman and Peregrine Midstream are composed of the same individuals. Peregrine Rocky Mountains and Holdings are member-managed.

¹⁸¹⁹ Before the Debtors operated the Ryckman Creek Facility, other companies used nitrogen as the inert gas to pressurize the reservoir to enhance oil recovery operations. As a result, a substantial amount of nitrogen exists in the reservoir that must be removed prior to nominating gas to various pipelines used by the Debtors' customers to transport natural gas.

2. Hydrogen Sulfide Gas

In addition to the fire and damage associated with the NRU failure, in early 2013, Ryckman Creek realized that the reservoir contained levels above those anticipated, of hydrogen sulfide gas (“H2S”), a corrosive gas that, if present in natural gas above certain levels, would render the natural gas unacceptable to owners of downstream pipelines and end users. Therefore, H2S must be removed prior to distribution to the natural gas distribution network. The Company and its engineers designed, developed, and installed an H2S Scavenging System to remove the H2S. Design and implementation of this fix, however, was expensive and led to further cost overruns and delays at the Ryckman Creek Facility.

3. Increased Debt

During the spring of 2014, Ryckman Creek engaged both ING and Bear River in discussions about amending the existing credit agreement dated November 2011 to allow for additional indebtedness to be incurred by Ryckman Creek to fund completion of the original construction projects, the rebuilt NRU, and equipment to address the H2S issues in the reservoir. Consequently, Ryckman, ING, and Bear River entered into an Amended and Restated Credit Facility.

During an inspection and audit of the safety and security of the Ryckman Creek Facility in May 2014, it was determined that significant settlement of the soils at the Ryckman Creek Facility had occurred. The Company determined that remediation of the site would cost approximately \$50,000,000, and at that time the remaining work to finish the project was estimated at \$48,000,000. Therefore, Ryckman once again engaged in discussions with Bear River and ING. During the course of September and October of 2014, Ryckman, Bear River, and ING engaged in extensive negotiations to reach a consensual, out of court transaction that culminated in the closing of the Second Amended and Restated Credit Facility, which provided an additional \$110,000,000 of funding. Following the original cost estimates from the Debtors’ general contractor who replaced Troy, however, it quickly became apparent that the scope of the repairs was significantly underestimated. Consequently, the Tranche B Lender upsized the amount of its commitment first from \$55,000,000 to \$65,000,000, then to \$70,000,000, and finally to \$95,000,000 in the aggregate.

4. Troy Arbitration

On August 28, 2013, Troy initiated binding arbitration seeking recovery of contract balances of approximately \$31,000,000 allegedly owed by Ryckman Creek under the parties’ Cost Reimbursable Plus Fixed Fee Engineering, Procurement and Construction Contract (the “EPC Contract”) and Master Services Agreement (the “MSA”). On September 18, 2013, Ryckman Creek filed an answering statement and counterclaim denying Troy’s entitlement to damages and seeking an award of not less than \$75,000 in damages. Subsequently, Ryckman Creek filed amended answering statements and counterclaims, increasing the amount of its claim for damages to approximately \$44,000,000 for damages allegedly resulting from Troy’s

allegedly defective performance. On October 26, 2015, the arbitration panel issued its final award, which granted Troy an award of \$19,799,129, which remains unpaid.

5. Completion of the Ryckman Creek Facility

Despite these setbacks and the related liquidity issues, the Company was able to complete construction of the Ryckman Creek Facility sufficient to commence initial storage services contemplated under the Firm Storage Service Precedent Agreement in December 2015. Currently, the Ryckman Creek Facility holds 13.1 Bcf of customer gas as well as 4.2 Bcf of gas owned by the Company. All major construction on the NRU is now complete, with only minor projects left to complete, none of which impact operations. Unfortunately, despite becoming commercially operational and the liquidity provided by the additional financing, the cost overruns and delays have left the Company with insufficient funds to continue to maintain and operate the facility.

Accordingly, the Company explored various options to obtain the necessary liquidity and engaged in negotiations with the Tranche A Lenders and the Tranche B Lender, but ultimately determined that no feasible out-of-court alternative existed.

6. Debtor-in-Possession Financing

Recognizing the Debtors' immediate need for capital and that a chapter 11 filing might be required, the Debtors and their advisors initiated a marketing process to obtain debtor-in-possession financing ("DIP Financing"). In connection therewith, the Debtors' advisors prepared a presentation describing the Debtors' capital structure, asset base, and financing needs. Simultaneously, the Debtors' advisors began identifying potential financing sources, with a focus on institutions with the ability to provide financing on an expedited basis. In total, the Debtors' advisors contacted 25 potential third-party lending sources.

Of the 25 contacted, seven of the third-party institutions accepted the Debtors' invitation to receive due diligence materials and entered into nondisclosure agreements to allow for due diligence and other exchanges of information. The Debtors' advisors held follow-up diligence calls with a number of these institutions. Ultimately, however, despite diligent efforts, the Debtors did not receive any proposals from third-parties. Instead, only ING was willing to provide the Debtors with any postpetition financing, in the form of the \$3,000,000 in bridge financing (the "Bridge Facility"). Through the Bridge Facility, ING provided the liquidity to support the Debtors' operational needs 45 days while the negotiations took place. ING further proposed the terms of additional financing in the aggregate amount of \$30,000,000, which the Debtors, and the Prepetition Lenders continued to negotiate postpetition. This proposed structure balanced the Prepetition Lenders' concerns with providing a full \$30,000,000 of funding before the Debtors had a clear path to exit while providing the Debtors with liquidity to fund the Chapter 11 Cases during the interim period.

With the Bridge Facility in place to launch the Debtors on the path to a comprehensive restructuring, on February 2, 2016, the Debtors commenced the Chapter 11 Cases.

B. First Day Pleadings

Upon commencing the Chapter 11 Cases, the Debtors sought and obtained a number of orders from the Bankruptcy Court to ensure a smooth transition of their operations into chapter 11 and facilitate the administration of the Chapter 11 Cases. Certain of these orders are briefly summarized below.

1. Administrative Motions: Motion for Joint Administration [Docket No. 3], Motion to File Consolidated List of Creditors [Docket No. 4], Motion for Extension of Time to File Schedules and Statements [Docket No. 5], and Application to Retain Claims and Noticing Agent [Docket No. 6]

To facilitate a smooth and efficient administration of the Chapter 11 Cases and to reduce the administrative burden associated therewith, by orders granted on February 3, 2016, the Bankruptcy Court authorized joint administration of the Debtors' cases for procedural purposes only [Docket No. 33] and authorized the Debtors to file a consolidated list of Creditors [Docket No. 34]. The Bankruptcy Court also authorized an extension of time for the Debtors to file their schedules and statements (the "Schedules and Statements"), extending the deadline to April 2, 2016 [Docket No. 35]. The Court further authorized the retention of KCC as claims and noticing agent [Docket No. 36].

2. Motion to Continue Cash Management System [Docket No. 7]

The Bankruptcy Court authorized the Debtors to continue using their cash management systems and their respective bank accounts, business forms, and intercompany transactions by an order granted on February 3, 2016 [Docket No. 39].

3. Motion to Waive Investment and Deposit Requirements [Docket No. 8]

By interim order granted on February 3, 2016 [Docket No. 38], the Bankruptcy Court waived Bankruptcy Code section 345 investment and deposit restrictions so as to allow the Debtors' banks to accept and hold investment funds in accordance with the Debtors' prepetition practices. The Debtors ultimately withdrew the motion to waive investment and deposit requirements upon a determination such relief was unnecessary [Docket No. 112].

4. Motion to Pay Employee Wages and Benefits [Docket No. 9]

By interim order granted on February 3, 2016 [Docket No. 39] and final order granted on February 29, 2016 [Docket No. 104], the Bankruptcy Court authorized the Debtors to pay prepetition wages, compensation, and amounts associated with employee benefit programs and continue such programs in the ordinary course.

5. Motion Determining Adequate Assurance of Payment for Future Utility Services [Docket No. 10]

By interim order granted on February 3, 2016 [Docket No. 40], the Bankruptcy Court established procedures for determining adequate assurance of payment for future utility services in recognition of the impact even a brief disruption of utility services would have on the Debtors. The Bankruptcy Court entered a final order on March 1, 2016 [Docket No. 117].

6. Motion to Pay Prepetition Taxes and Related Obligations [Docket No. 11]

By order granted on February 3, 2016 [Docket No. 41], the Bankruptcy Court authorized the Debtors to pay certain prepetition fees and taxes to various federal, state, county, and city taxing and licensing authorities.

7. Motion to Pay Insurance and Related Obligations [Docket No. 12]

By order granted on February 3, 2016 [Docket No. 42], the Bankruptcy Court authorized the Debtors to pay and maintain various insurance policies, including, among other things, general liability, workers' compensation liability, directors and officers liability, umbrella liability, automotive liability, pollution and remediation, crime, and property.

8. Motion to Pay Critical Vendors [Docket No. 14]

By interim order granted on February 3, 2016 [Docket No. 43], the Bankruptcy Court authorized the Debtors to pay prepetition Claims of certain critical vendors and suppliers in an amount not to exceed \$500,000 in the aggregate and approved procedures related thereto (the "First Interim Order"). By a second interim order granted on March 1, 2016 [Docket No. 118], the Bankruptcy Court authorized the Debtors to pay prepetition claims of certain critical vendors and suppliers in an amount not to exceed \$700,000 (inclusive of any amounts paid pursuant to the First Interim Order) (the "Second Interim Order"). By a third interim order granted on March 24, 2016 [Docket No. 194], the Bankruptcy Court authorized the Debtors to pay prepetition claims of certain critical vendors and suppliers in an amount not to exceed \$1,000,000 (inclusive of any amount paid pursuant to the First Interim Order and the Second Interim Order). The Debtors will seek further interim or final relief with respect to the motion to pay critical vendors as needed.

9. Applications for Retention of Debtors' Professionals

The Bankruptcy Court has approved the Debtors' retention of certain Professionals to represent and assist the Debtors in connection with the Chapter 11 Cases. These Professionals include, among others: (i) Skadden, Arps, Slate, Meagher & Flom as counsel for the Debtors (order granted February 29, 2016) [Docket No. 105]; (ii) KCC as administrative agent for the Debtors (order granted February 29, 2016) [Docket No. 108]; (iii) AP Services, LLC to provide interim management services and designate Thomas B. Osmun to serve as Chief Restructuring Officer and Robert D. Albergotti to serve as Vice President of Restructuring (order granted February 29, 2016) [Docket No. 107]; and (iv) Evercore Group, L.L.C. ("Evercore") as their investment banker (order granted February 29, 2016) [Docket No. 106].

The Bankruptcy Court has also authorized the Debtors to retain certain professionals utilized by the Debtors in the ordinary course of business prior to the Petition Date (order granted February 29, 2016) [Docket No. 110]. Further, the Bankruptcy Court has authorized the interim compensation and reimbursement of professional expenses during these cases (order granted February 29, 2016) [Docket No. 109].

C. Appointment of the Creditors' Committee and Retention of Committee Professionals

On February 12, 2016, the United States Trustee appointed the Creditors' Committee under Bankruptcy Code section 1102 [Docket No. 68].¹⁹²⁰ By an order entered March 17, 2016, the Creditors' Committee was authorized to retain Greenberg Traurig, LLP as its counsel [Docket No. 162]. By an order entered on April 7, 2016, the Creditors' Committee was authorized to retain Alvarez & Marsal North America, LLC as financial advisors [Docket No. 222].

D. Appointment of Fee Examiner

On May 18, 2016, the Bankruptcy Court appointed Richard M. Meth of Fox Rothschild LLP as Fee Examiner [Docket No. 339].

~~D~~E. Schedules and Statements

On February 3, 2016, the Bankruptcy Court entered an order extending the Debtors' deadline to file their Schedules and Statements to April 2, 2016 [Docket No. 35]. The Debtors filed their Schedules and Statements on March 8, 2016 [Docket Nos. 130-137]. Ryckman and Peregrine filed amended Schedules on April 11, 2016 [Docket Nos. 226-227]

¹⁹²⁰ The Creditors' Committee is comprised of the following entities: (i) Troy Construction, LLC; (ii) Redi Services, LLC; (iii) Alliance Process Partners, LLC, dba IAG; (iv) BCKK Engineering, Inc.; and (v) Praxair, Inc.

and amended Statements on April 28, 2016 [Docket Nos. 284-285] and June 6, 2016 [Docket No. 393-394].

F. Plan Support Agreement

As discussed above, beginning prior to the Petition Date and continuing postpetition the Debtors negotiated the Plan Support Agreement with ING and the Prepetition Lenders, which contemplated that the Debtors would, with the support of the Supporting Creditors, pursue a plan of reorganization that would restructure the Debtors' obligations under the Prepetition Credit Agreement and significantly de-lever their balance sheets. These negotiations culminated in entry into the Plan Support Agreement on March 23, 2016.

The Plan Support Agreement sets forth certain milestones by which the Debtors must file certain documents and obtain Bankruptcy Court approvals related to the Plan. The Plan Support Agreement contains enumerated termination events, including the failure of the Debtors to meet the specified milestones. Upon the occurrence of a termination event, including the nonoccurrence of the restructuring contemplated by the plan support agreement term sheet attached as Exhibit A to the Plan Support Agreement (the "Plan Support Agreement Term Sheet"), the terms of which have been incorporated into the Plan, on or before August 5, 2016, as extended from July 7, 2016 by the Revised Solicitation Timeline, the Plan Support Agreement may terminate.

EG. Postpetition Financing

As discussed above, prior to the Petition Date, the Debtors negotiated and entered into the Bridge Facility with ING, as agent and lender (the "Bridge Lender") and agreed to the general terms of an additional \$30,000,000 of secured postpetition debtor-in-possession financing (the "DIP Facility"). On the Petition Date, the Debtors filed a motion seeking interim and final bankruptcy court approval for the Bridge Facility and DIP Facility. The Court entered an order authorizing the Debtors to obtain the Bridge Facility, on an interim basis, on February 3, 2016 [Docket No. 44].

The Court scheduled a final hearing on March 1, 2016 to approve the motion for the DIP Facility, and following commencement of the Chapter 11 Cases, the Debtors continued to negotiate with ING to secure additional postpetition financing. However, the Debtors and ING were unable to reach an agreement by the March 1, 2016 hearing date, and requested that the Court enter a second interim order approving and modifying the Bridge Facility. On March 1, 2016 [Docket No. 121], the Bankruptcy Court entered a second interim order authorizing the Debtors to obtain an additional \$2,000,000 from the Bridge Lender, for a total amount not to exceed \$5,000,000.

The Debtors continued to negotiate with the Prepetition Lenders, and by a senior, superpriority secured debtor-in-possession credit and security agreement (the "DIP Credit Agreement") dated March 24, 2016, ING and the participating lenders (such lenders, the "DIP Lenders") agreed to provide a postpetition, senior, super-priority DIP Facility up to \$35,000,000. By final order entered on March 24, 2016 [Docket No. 195], the Bankruptcy

Court approved the Bridge Facility and the DIP Facility on a final basis, authorized the Debtors to obtain the \$35,000,000 of DIP financing on a secured, superpriority basis, and granted related relief.

H. The Challenge Period

The DIP Order established a Challenge Period (as defined in the DIP Order) for parties in interest other than the Debtors to commence a Challenge Action (as defined in the DIP Order) against the Prepetition Agent for purposes of challenging the validity, extent, priority, perfection, enforceability and non-avoidability of the Prepetition Liens against the Debtors, seeking to avoid or challenge made by or on behalf of the Debtors to or for the benefit of the Prepetition Lenders or the Prepetition Agent, seeking damages or equitable relief against the Prepetition Lenders or the Prepetition Agent, or challenging any other matter waived or released pursuant to the DIP Order. Per the DIP Order, the Challenge Period for the Creditors' Committee was initially established as May 15, 2016. By agreement of the parties, this date was later extended until June 15, 2016 and then until [July 26], 2016.

During the course of the Chapter 11 Cases, the Creditors' Committee has propounded substantial discovery requests on the Debtors, the Prepetition Agent, and the Prepetition Lenders. The Debtors, the Prepetition Agent, and the Prepetition Lenders have responded and continue to respond to these requests and, to date, have provided hundreds of thousands of pages of discovery documents. Certain depositions have been taken and additional depositions are scheduled for or will be scheduled in the coming weeks.

While this process is still ongoing, counsel to the Creditors' Committee has indicated that they believe there may have been inequitable conduct by certain of the Prepetition Lenders in connection with the Completion Loans, because the Completion Loans allegedly did not provide adequate liquidity to finance completion of the Ryckman Creek Facility. As such, the Creditors' Committee has indicated that it may assert that certain of the funding provided by the Completion Loans was inequitably provided as secured debt rather than equity, or should be recharacterized as equity, to the detriment of the General Unsecured Creditors.

In addition, Matrix Service Inc., Wholesale Electric Supply Co. of Houston, Inc., Distribution International, Inc. d/b/a, E.J. Bartells, and Brock Services, LLC (collectively, the "Purported Lienholders") each alleges that it is a secured creditor of the Debtors that maintains a validly perfected lien on certain property of the Debtors (each a "Purported Lien" and, collectively, the "Purported Liens"). The Purported Lienholders requested an extension of the Challenge Period, which the Debtors and the DIP Lenders extended to June 15, 2016. The Purported Lienholders are conducting discovery and research regarding the Purported Liens the priority of payment of the Purported Liens in relation to the secured claims of the Prepetition Lenders.

FI. ~~Plan Support Agreement~~Mediation

The parties anticipate that the Creditors' Committee's investigation may ultimately result in the assertion by the Creditors' Committee of certain causes of action which may impact formulation of the Plan, such as, for example, a cause of action for equitable subordination of some or all of the Tranche B Loans provided by Bear River. As a result, the Debtors, the Prepetition Lenders and the Creditors' Committee (the "Mediation Parties") have commenced a mediation process with respect to the plan and any related discovery issues (the "Plan Mediation"). On May 18, 2016, the Court entered its Order Establishing the Terms Governing Mediation (the "Mediation Order") [Docket No. 338], which appointed Judge Kevin Gross as the mediator (the "Mediator").

On May 18, 2016, the Mediation Parties held an introductory mediation session with the Mediator, and established that further mediation sessions will be held on June 16, 2016 and June 22, 2016. The Mediation Parties will submit confidential mediation statements to the Mediator by June 15, 2016.

~~As discussed above, beginning prior to the Petition Date and continuing postpetition the Debtors negotiated the Plan Support Agreement with ING and the Prepetition Lenders, which contemplated that the Debtors would, with the support of the Supporting Creditors, pursue a plan of reorganization that would restructure the Debtors' obligations under the Prepetition Credit Agreement and significantly de-lever their balance sheets. These negotiations culminated in entry into the Plan Support Agreement on March 23, 2016.~~

~~The Plan Support Agreement sets forth certain milestones by which the Debtors must file certain documents and obtain Bankruptcy Court approvals related to the Plan. The Plan Support Agreement contains enumerated termination events, including the failure of the Debtors to meet the specified milestones. Upon the occurrence of a termination event, including the nonoccurrence of the restructuring contemplated by the plan support agreement term sheet attached as Exhibit A to the Plan Support Agreement (the "Plan Support Agreement Term Sheet") on or before July 7, 2016, the Plan Support Agreement may terminate.~~

GJ. Analyzing Executory Contracts and Unexpired Leases

The Bankruptcy Code authorizes a debtor, subject to the approval of the Bankruptcy Court, to assume, assume and assign, or reject Executory Contracts and Unexpired Leases. The Debtors are engaged an evaluation of their Executory Contracts and Unexpired Leases.

During the course of the Chapter 11 Cases, the Debtors and their Professionals have evaluated Executory Contracts and Unexpired Leases in the context of the Debtors' business plan. The Debtors continue to evaluate their options in connection with each of these Executory Contracts and Unexpired Leases including the potential assumption, rejection, or amendment and assumption thereof. As part of the Plan Supplement, the Debtors will identify contracts to be assumed in the Schedule of Assumed Executory Contracts and Unexpired Leases. All remaining contracts will be rejected.

The Plan Supplement will further identify those Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan for which the Debtors believe there is a cure amount of greater than \$0 in the Schedule of Assumed Executory Contracts and Unexpired Leases. Except as otherwise set forth in such schedule, the Cure Amount with respect to each of the Executory Contracts or Unexpired Leases assumed pursuant to the Plan is designated by the Debtors as \$0, subject to the determination of a different Cure Amount pursuant to the objection procedures set forth in Article VII of the Plan.

HK. Analysis and Resolution of Claims

On March 8, 2016, the Debtors filed their Schedules and Statements [Docket Nos. 130-137]. [Ryckman and Peregrine filed amended Schedules on April 11, 2016 \[Docket Nos. 226-227\] and amended Statements on April 28, 2016 \[Docket Nos. 284-285\] and June 6, 2016 \[Docket Nos. 393-394\].](#) The Schedules provide certain information pertaining to the Claims. Interested parties may review the Schedules and Statements at the office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801 or online at <http://www.kccllc.net/ryckman>.

1. Claims Bar Date

On February 29, 2016, the Bankruptcy Court entered an order [Docket No. 111] (the “Bar Date Order”) requiring all persons or entities who wished to assert claims against the Debtors’ Estates to file a proof of Claim (“Proof of Claim”) against the Debtors in the Chapter 11 Cases by no later April 11, 2016 (as defined in the Bar Date Order) (the “General Bar Date”). The Bar Date Notice was served on March 14, 2016. The General Bar Date applies to any person, other than governmental units, holding a claim against the Debtors allegedly owing as of the Petition Date, including claims under Bankruptcy Code section 503(b)(9), or any person with an alleged claim or expense claimed to have arisen prior to the Petition Date. Any governmental unit seeking to file a claim against the Debtors is required to do so by no later than August 1, 2016 at 5:00 p.m. (Eastern) (the “Governmental Bar Date”).

If the Debtors reject any executory contract or unexpired lease under Bankruptcy Code section 365, each person or entity holding a claim against the Debtors arising from such rejection must file a proof of claim by the later of (i) 30 days after the effective date of rejection of such executory contract or unexpired lease as provided by an order of the Bankruptcy Court or pursuant to notice under procedures approved by the Bankruptcy Court; (ii) any date set by another order of the Bankruptcy Court; or (iii) the General Bar Date (the “Rejection Bar Date”).

In the event that the Debtors amend the Schedules and Statements, the Debtors shall give notice of any amendment to the Holders of Claims affected thereby, and if the subject amendment reduces the unliquidated, noncontingent, and liquidated amount or changes the nature or classification of a Claim against a Debtor or the Debtor liable on the Claim, such Holders shall be given until the later of (i) the General Bar Date, or (ii) 30 days from the date

such notice is given (or such other time period as may be fixed by the Bankruptcy Court) to file proofs of claim with respect to such affected Claim, if necessary, or be barred from filing such claim (the "Amended Schedule Bar Date").²¹

As of ~~{●}~~June 7, 2016, KCC had received approximately ~~{●}~~161 Proofs of Claim in the approximate aggregate ~~amount of \$[●]. Given that the General Bar Date will elapse concurrently with the date of this Disclosure Statement, the~~liquidated amount of \$510 million.²² The Debtors have not yet been able to fully review the filed Proofs of Claim. Additionally, the Debtors ~~have not yet been able to perform a general reconciliation of~~are in the process of reviewing and reconciling their books and records to determine whether Proofs of Claim are invalid, untimely, duplicative, or overstated, but such process has not yet been completed. After or as they perform asuch general reconciliation of their books and records, the Debtors intend to file omnibus claims objections, and the outcome of such future objections could impact the amount of Allowed Claims in each Class and the recoveries provided to Creditors under the Plan.

2. Causes of Action

In accordance with Bankruptcy Code section 1123(b)(3), the Debtors reserve all rights to commence and pursue any and all Causes of Action that are not released under Article 10.4 of the Plan or an order of the Bankruptcy Court, whether arising before or after the Petition Date, including any actions or categories of actions specifically enumerated in a list of retained causes of action to be included in the Plan Supplement. Such Causes of Action shall vest in the Reorganized Debtors as of the Effective Date.

ARTICLE VI.

PLAN SUMMARY

A. Overview of Chapter 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize its business for the benefit of itself, its Creditors, and interest holders. Chapter 11 also strives to promote equality of treatment for similarly situated creditors and similarly situated interest holders with respect to the distribution of a debtor's assets.

²¹ The amendments to the Schedules and Statements filed on April 11, 2016, April 28, 2016, and June 6, 2016 did not reduce the unliquidated, noncontingent, and liquidated amount or change the nature or classification of any Claim against a Debtor or the Debtor liable on any Claim. Accordingly, such amendment did not result in an Amended Schedule Bar Date for any party.

²² This aggregated liquidated amount excludes duplicative claims filed against each of the Debtors. Removal of claims that the Debtors believe are duplicative leaves 113 non-duplicative Proofs of Claims.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of a debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a debtor in possession.

The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court makes such plan binding upon a debtor and any creditor of or equity interest holder in such debtor, whether or not such creditor or equity interest holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions, and except as otherwise provided in the plan or the confirmation order itself, a confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes for those debts the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual, and equitable rights of the holders of claims or interests in certain classes are to remain unaltered by the reorganization effectuated by the plan. Such classes are referred to as “unimpaired” and, because of such favorable treatment, are presumed to accept the plan. Accordingly, a debtor need not solicit votes from the holders of claims or equity interests in such unimpaired classes. A chapter 11 plan also may specify that certain classes will not receive any distribution of property or retain any claim against a debtor. Such classes are deemed to reject the plan and, therefore, need not be solicited to vote to accept or reject the plan. Any classes that are receiving a distribution of property under the plan but are not unimpaired will be solicited to vote to accept or reject the plan.

Bankruptcy Code section 1123 provides that a plan of reorganization shall classify the claims of a debtor’s Creditors and equity interest holders. In compliance therewith, the Plan divides Claims and Interests into various Classes and sets forth the treatment for each Class. The Debtors believe that the Plan has classified all Claims and Interests in compliance with Bankruptcy Code section 1122, but it is possible that a Holder of a Claim or Interest may challenge the classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, the Debtors intend, to the extent permitted by the Bankruptcy Court and the Plan, to make such modifications of the classifications under the Plan to permit Confirmation and to use the Plan acceptances received in this solicitation for the purpose of obtaining the approval of the reconstituted Class or Classes of which the accepting Holder is ultimately deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

THE REMAINDER OF THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, THE

PLAN SUPPLEMENT, AND THE EXHIBITS AND DEFINITIONS CONTAINED IN EACH DOCUMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERRED TO IN THE PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO IN THE PLAN.

THE PLAN ITSELF AND THE DOCUMENTS IN THE PLAN CONTROL THE ACTUAL TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND WILL, UPON THE OCCURRENCE OF THE EFFECTIVE DATE, BE BINDING UPON, AMONG OTHER ENTITIES, ALL HOLDERS OF CLAIMS AND INTERESTS, THE REORGANIZED DEBTORS, ALL ENTITIES RECEIVING PROPERTY UNDER THE PLAN, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND SUCH OTHER OPERATIVE DOCUMENT SHALL CONTROL.

B. Overall Structure of the Plan

The Plan is supported by the Supporting Creditors who are party to the Plan Support Agreement. The Plan will result in a substantial deleveraging of the Company upon emergence from chapter 11 and will provide the Company with ample liquidity to continue operations as a going concern. In general, the Plan contemplates the reorganization of the Debtors through (i) the cancellation of common and preferred equity interests in the Debtors; (ii) the restructuring of certain secured debt; (iii) the conversion into equity of certain secured debt; and (iv) the provision to unsecured Creditors of either unencumbered assets or contingent value rights.

C. Administrative Expenses and Priority Claims

1. Administrative Claims

Except to the extent that the Debtors or the Reorganized Debtors, as applicable, and a Holder of an Allowed Administrative Claim agree to a less favorable treatment, a Holder of an Allowed Administrative Claim (other than a Professional Claim, which shall be subject to Article 2.3 of the Plan) shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim either (a) on the later of (x) the Initial Distribution Date; or (y) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when an Administrative Claim becomes an Allowed Administrative Claim or (ii) 30 days after the

date when an Administrative Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Administrative Claim; or (b) if the Allowed Administrative Claim is an Ordinary Course Administrative Claim, in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; provided, however, that other than Holders of (i) a Professional Claim, (ii) an Administrative Claim Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iii) an Ordinary Course Administrative Claim that is not Disputed, the Holder of any Administrative Claim shall have filed an Administrative Claim Request Form no later than the Administrative Claims Bar Date and such Claim shall have become an Allowed Claim (or for any Section 503(b)(9) Claim, the Holder of such Section 503(b)(9) Claim shall have filed a Proof of Claim no later than the applicable Bar Date and such Claim shall have become an Allowed Claim). Except as otherwise provided herein and as set forth in Articles 2.2 or 2.3 of the Plan, all requests for payment of an Administrative Claim must be filed, in substantially the form of the Administrative Claim Request Form contained in the Plan Supplement, with the Claims, Noticing, and Solicitation Agent and served on counsel for the Debtors or the Reorganized Debtors, as applicable, no later than the Administrative Claims Bar Date. Any request for payment of an Administrative Claim pursuant to this Article 2.1 that is not timely filed and served shall be Disallowed automatically without the need for any objection from the Reorganized Debtors. The Reorganized Debtors may settle an Administrative Claim without further Bankruptcy Court approval and the Claims, Noticing, and Solicitation Agent shall be able to rely on the Reorganized Debtors representation of such settlement to adjust the claims register accordingly without further Bankruptcy Court approval. In the event that the Reorganized Debtors object to an Administrative Claim and there is no settlement, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim.

2. DIP Facility Claims

On the Effective Date, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every DIP Facility Claim, the DIP Facility Claims shall convert into the Exit Facility pursuant to the terms of the Exit Facility Credit Agreement.

3. Professional Claims

(a) **Final Fee Applications.** All final requests for payment of Professional Claims and requests for reimbursement of expenses of members of the Creditors' Committee must be filed no later than 45 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Claims shall be determined by the Bankruptcy Court.

(b) **Payment of Interim Amounts.** Subject to the Holdback Escrow Amount, on the Effective Date, the Reorganized Debtors shall pay all amounts owing to Professionals for all outstanding amounts billed relating to prior periods through the Effective Date as to which no objection has been filed and for which the objection period under the

Professional Fee Order has expired. If any objections to such amounts sought are received by a Professional, no payments shall be made to such Professional on account of fees or expenses subject to such objection unless and until such fees or expenses are allowed by a Final Order of the Bankruptcy Court. Before or as soon as reasonably practicable after the Effective Date, a Professional seeking payment of estimated, unbilled amounts through the Effective Date shall submit a detailed invoice or fee estimate covering such period to counsel for the Debtors, counsel for the DIP Agent, and counsel for the Creditors' Committee, which estimated fees shall be subject to a 5-day objection period before such amounts may be included in the Holdback Escrow Amount. In the event that any objection is filed to such estimated fees to be included in the Holdback Escrow Amount, any fees and expenses subject to such an objection shall not be added to the Holdback Escrow Account without further order of the Bankruptcy Court.

(c) **Holdback Escrow Account.** On the Effective Date, the Reorganized Debtors shall fund the Holdback Escrow Account with Cash equal to the aggregate Holdback Escrow Amount for all Professionals. The Distribution Agent shall maintain the Holdback Escrow Account in trust for the Professionals with respect to whom fees have been held back pursuant to the Professional Fee Order and shall not be used for any purpose other than to pay the Allowed Professional Claims, except as set forth in the final sentence of this Article 2.3(c). No amounts shall be paid from the Holdback Escrow Account to any Professional unless and until the Professional's final fee application is Allowed by a Final Order of the Bankruptcy Court. When all Professional Claims have been paid in full in the amounts Allowed by Final Order of the Bankruptcy Court, amounts remaining in the Holdback Escrow Account, if any, shall be paid to the Reorganized Debtors.

(d) **Post-Effective Date Retention.** Upon the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors shall employ and pay Professionals in the ordinary course of business (including the reasonable fees and expenses incurred by Professionals in preparing, reviewing, prosecuting, defending, or addressing any issues with respect to final fee applications).

4. Priority Tax Claims

On the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of (i) 30 days after the date when a Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) 30 days after the date when a Priority Tax Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Priority Tax Claim, except to the extent that the Debtors (or Reorganized Debtors) and a Holder of an Allowed Priority Tax Claim agree to a less favorable treatment, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive one of the following treatments on account of such Claim: (x) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, (y) Cash in an amount agreed to by the Debtors (or the Reorganized Debtors) and such Holder, provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim to occur at a later date, or (z) at the sole option of the Reorganized Debtors, Cash in

the aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to Bankruptcy Code section 1129(a)(9)(C). To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

D. Classification, Treatment, and Voting of Claims and Interests

1. Classification of Claims and Interests²⁰²³

(a) In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims (including Professional Claims), DIP Facility Claims, and Priority Tax Claims of the kinds specified in Bankruptcy Code sections 507(a)(1) and 507(a)(8) have not been classified and their treatment is set forth in Article II above.

(b) Pursuant to Bankruptcy Code sections 1122 and 1123, set forth below is a designation of classes of Claims against and Interests in the Debtors. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and, to the extent applicable, receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

²⁰²³ The Debtors are still conducting analysis on substantive consolidation. To provide update prior to Disclosure Statement Hearing.

(c) Claims and Interests are divided into numbered Classes as set forth below:

Class	Claim or Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims	Impaired	Entitled to Vote
4	Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims	Impaired	Entitled to Vote
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Intercompany Claims	Impaired	Deemed to Reject
7	Subordinated Claims	Impaired	Deemed to Reject
8	Interests	Impaired	Deemed to Reject

E. Provision for Treatment of Claims and Interests

1. Class 1 – Other Secured Claims

(a) Classification: Class 1 consists of all Other Secured Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 1 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 1 Claim, each such Holder of an Allowed Class 1 Claim shall, at the election of the Debtors or the Reorganized Debtors (with the approval of the Supporting Creditors), as applicable:

(i) have its Allowed Class 1 Claim Reinstated and rendered Unimpaired on the Effective Date in accordance with Bankruptcy Code section 1124(2), notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Class 1 Claim to demand or receive payment of such Allowed Class 1 Claim prior to the stated maturity of such Allowed Class 1 Claim from and after the occurrence of a default;

(ii) be paid in full in Cash or Cash equivalents in an amount equal to such Allowed Class 1 Claim, including postpetition interest, if any, on such Allowed

Class 1 Claim required to be paid pursuant to Bankruptcy Code section 506, on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim; or

(iii) receive the collateral securing its Allowed Class 1 Claim free and clear of Liens, Claims, and encumbrances on the later of (a) the Initial Distribution Date or (b) the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Class 1 Claim becomes an Allowed Class 1 Claim or (ii) 30 days after the date when a Class 1 Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Class 1 Claim, provided that such collateral, as of the day prior to the Effective Date, was property of the Estates.

Nothing in Article 4.1 or elsewhere in the Plan shall preclude the Debtors or the Reorganized Debtors, as applicable, from challenging the validity of any alleged Lien on any asset of the Debtors or the value of the property that secures any alleged Lien.

(c) Voting: Class 1 is Unimpaired, and Holders of Allowed Class 1 Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 1 Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: Except as otherwise provided in and subject to Article 9.4 of the Plan, and except to the extent that a Holder of an Allowed Class 2 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 2 Claim, each such Holder of an Allowed Class 2 Claim shall be paid in full in Cash on the first Periodic Distribution Date occurring after the later of (i) the Effective Date and (ii) 30 days after the date when a Class 2 Claim becomes an Allowed Claim; provided, however, that Other Priority Claims that arise in the ordinary course of the Debtors' business and which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business.

(c) Voting: Class 2 is Unimpaired, and Holders of Allowed Class 2 Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Class 2 Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Prepetition Credit Agreement Secured Claims and Hedging Agreement Secured Claims

(a) Classification: Class 3 consists of all Prepetition Credit Agreement Secured Claims and all Hedging Agreement Secured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 3 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 3 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 3 Claim shall receive on account of such Class 3 Claim (i) the New Notes and (ii) the New Holdings Equity, which shall be provided in accordance with the treatment set forth for the Class 3 subclasses, as set forth below.

(i) *Subclass 3-A - Secondary Tranche A Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Secondary Tranche A Completion Loans shall receive Series A-1 Senior Notes in an amount equal to the original principal amount of the Secondary Tranche A Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(ii) *Subclass 3-B - Tertiary Tranche B Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Tertiary Tranche B Completion Loans shall receive the Series B Senior Notes in an amount equal to the original principal amount of the Tertiary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(iii) *Subclass 3-C - Initial Tranche A Completion Loan*
Secured Claims of DIP Lenders

Holders of Allowed Secured Claims on account of Initial Tranche A Completion Loans who are DIP Lenders shall receive Series A-2 Senior Notes in an amount equal to the principal amount of DIP Loans provided by such Holder, up to a maximum amount of Allowed Secured Claims on account of Initial Tranche A Completion Loans.

(iv) *Subclass 3-D - Other Initial Tranche A Completion Loan*
Secured Claims

After giving effect to distributions to Subclass 3-C, Holders of Allowed Secured Claims on account of any remaining principal of, and accrued unpaid interest through the Effective Date of the Plan on, Initial Tranche A Completion Loans shall receive Series A Junior Notes in an amount equal to such principal and accrued interest amounts.

(v) *Subclass 3-E - Secondary Tranche B Completion Loan*
Secured Claims

Holders of Allowed Secured Claims on account of Secondary Tranche B Completion Loans shall receive the Series B Junior Notes in an amount equal to the original principal amount of the Secondary Tranche B Completion Loans, plus accrued unpaid interest on such loans through the Effective Date of the Plan.

(vi) *Subclass 3-F* – Initial Tranche B Completion Loan Principal Secured Claims

Holders of Allowed Secured Claims on account of Initial Tranche B Completion Loan Principal shall receive the Hybrid New Notes in an amount equal to the original principal amount of the Initial Tranche B Completion Loans.

(vii) *Subclass 3-G* – Initial Tranche B Converted Interest Secured Claims

Holders of Allowed Secured Claims for Initial Tranche B Converted Interest shall receive New Class B Preferred Units and New Class B Common Units basis in exchange for the Initial Tranche B Converted Interest through the Effective Date of the Plan.

(viii) *Subclass 3-H* - Term Loan Secured Claims of DIP Lenders and Tranche A Completion Loan Lenders

Holders of Allowed Secured Claims on account of Term Loans who are DIP Lenders and Tranche A Completion Loan Lenders shall receive (i) Series A-1 Preferred Units on a Pro Rata basis based on the amount of DIP Facility Claims of each Holder, (ii) Series A-2 Preferred Units on a Pro Rata basis with Allowed Subclass 3-I Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (iii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iv) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-I and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

The Series A-1 Preferred Units received by such Holders shall first reduce the amount of Series A-3 Preferred Units received by such Holder before reducing the amount of Series A-2 Preferred Units received by such Holder.

(ix) *Subclass 3-I* – Term Loan Secured Claims of Tranche A Completion Loan Lenders

Holders of Allowed Secured Claims on account of Term Loans who are Tranche A Completion Loan Lenders but are not DIP Lenders shall receive (i) Series A-2

Preferred Units on a Pro Rata basis with Allowed Subclass 3-H Claims based on the amount of Tranche A Completion Loan Principal Claims of each Holder after reduction (with respect to Holders in Subclass 3-H) for the amount by which such Holder's DIP Facility Claims exceed its Junior Term Loan Claims, (ii) Series A-3 Preferred Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims held by each Holder after reduction, first, for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder, and (iii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-J Claims based on the amount of Term Loan Claims and (with respect to Holders in Subclass 3-J) Hedging Agreement Secured Claims, as applicable, held by each Holder.

(x) *Subclass 3-J – Other Term Loan Secured Claims and Hedging Agreement Secured Claims*

Holders of Allowed Secured Claims on account of Term Loans who are neither DIP Lenders nor Tranche A Completion Loan Lenders and Holders of Allowed Hedging Agreement Secured Claims shall receive (i) Series A-3 Preferred Units on a Pro Rata basis with Subclasses 3-H and 3-I based on the amount of Term Loan Claims and Hedging Agreement Secured Claims, as applicable, held by each Holder after reduction, first, (with respect to Holders in Subclasses 3-H and 3-I) for the amount of Tranche A Completion Loan Principal Claims of such Holder and, second, (with respect to Holders in Subclass 3-H) for the amount of DIP Facility Claims (up to the total amount of Junior Term Loan Claims) of such Holder and (ii) New Class A Common Units on a Pro Rata basis with Allowed Subclasses 3-H and 3-I Claims based on the amount of Term Loan Claims or Hedging Agreement Claims, as applicable, held by each Holder.

(c) Voting: Each Class 3 Subclass is Impaired and Holders of Allowed Class 3 Claims are entitled to vote to accept or reject the Plan. Votes of each Class 3 Subclass shall be calculated separately for each Class 3 Subclass.

4. Class 4 – Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims

(a) Classification: Class 4 consists of all Prepetition Credit Agreement Deficiency Claims and Hedging Agreement Deficiency Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 4 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 4 Claim, on or as soon as reasonably practicable after the Effective Date, each Holder of an Allowed Class 4 Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets; provided, however, that in the event that Class 5 Votes as a Class to accept the Plan, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.

(c) Voting: Class 4 is Impaired and Holders of Allowed Class 4 Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) Classification: Class 5 consists of all General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Class 5 Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share of the Contingent Value Rights, and shall be deemed to have waived any right to recover from the proceeds of the Unencumbered Assets, or (ii) in the event that Class 5 Votes as a class to reject the Plan, each Holder of an Allowed Class 5 Claim shall receive, on account of such Holder's Class 5 Claim, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets.

(c) Voting: Class 5 is Impaired and Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) Classification: Class 6 consists of all Intercompany Claims.

(b) Treatment: On the Effective Date, all net Allowed Class 6 Claims (taking into account any setoffs of Intercompany Claims) shall be released, waived, and discharged without payment or distribution.

(c) Voting: Class 6 is Impaired, and Holders of Allowed Class 6 Claims are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 6 Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 – Subordinated Claims

(a) Classification: Class 7 consists of all Subordinated Claims.

(b) Treatment: Holders of Allowed Class 7 Claims shall not receive any distributions on account of such Allowed Class 7 Claims, and on the Effective Date all Allowed Class 7 Claims shall be released, waived, and discharged.

(c) Voting: Class 7 is Impaired, and Holders of Allowed Class 7 Claims are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 7 Claims are not entitled to vote to accept or reject the Plan.

8. Class 8 – Interests

(a) Classification: Class 8 consists of all Interests.

(b) Treatment: On the Effective Date, Allowed Class 8 Interests shall be deemed automatically cancelled, released, and extinguished without further action by the Debtors or the Reorganized Debtors and the obligations of the Debtors and the Reorganized Debtors thereunder shall be discharged and the Holders of Allowed Class 8 Interests shall not receive or retain any property or interests on account of such Class 8 Interest.

(c) Voting: Class 8 is Impaired, and Holders of Allowed Class 8 Interests are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, Holders of Allowed Class 8 Interests are not entitled to vote to accept or reject the Plan.

F. Acceptance

1. Classes Entitled to Vote

Classes 3-A, 3-B, 3-C, 3-D, 3-E, 3-F, 3-G, 3-H, 3-I, 3-J, 4, and 5 are Impaired and are entitled to vote to accept or reject the Plan. By operation of law, Classes 1 and 2 are Unimpaired and are deemed to have accepted the Plan and, therefore, are not entitled to vote. By operation of law, Classes 6, 7, and 8 are deemed to have rejected the Plan and are not entitled to vote.

2. Acceptance by Impaired Classes

An Impaired Class of Claims shall have accepted the Plan if, not counting the vote of any Holder designated under Bankruptcy Code section 1126(e), (a) the Holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan and (b) the Holders of more than one-half in number of the Allowed Claims actually voting in the Class have voted to accept the Plan.

3. Elimination of Classes

To the extent applicable, any Class that does not contain any Allowed Claims or any Claims temporarily allowed for voting purposes under Bankruptcy Rule 3018, as of the date of commencement of the Confirmation Hearing, shall, for each applicable Debtor, be deemed to have been deleted from the Plan for purposes of (a) voting to accept or reject the Plan and (b) determining whether it has accepted or rejected the Plan under Bankruptcy Code section 1129(a)(8).

4. Deemed Acceptance if No Votes Cast

If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims in such Class.

5. Cramdown

To the extent necessary, the Debtors shall request confirmation of the Plan, as it may be modified from time to time in accordance with the terms hereof, under Bankruptcy Code section 1129(b). The Debtors reserve the right to modify, amend, or withdraw the Plan, with respect to all Debtors or any individual Debtor or group of Debtors to the extent, if any, that confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

6. Allowance of Prepetition Credit Agreement Claims

The Prepetition Credit Agreement Claims are hereby Allowed in the amount of \$[_____].

G. Means for Implementation of the Plan²⁴₂₄

1. General Settlement of Claims and Interests

Pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provision of the Plan shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan.

2. Plan Funding

Distributions under the Plan, and the Reorganized Debtors' operations post-Effective Date will be funded from the following sources:

(a) **Exit Facility.** On the Effective Date, the Reorganized Debtors shall enter into the Exit Facility, the final form and substance of which shall be acceptable to the Reorganized Debtors and the Exit Facility lenders. Confirmation shall be deemed approval of the Exit Facility (including the transactions contemplated thereby, such as any supplementation or syndication of the Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized Debtors to enter into and execute the Exit Facility and such other documents as the Exit Lenders may reasonably require to effectuate the treatment afforded to such lenders pursuant to the Exit Facility, subject to such modifications as the Reorganized Debtors (with consent of the Exit Lenders) may deem to be reasonably necessary to consummate such Exit Facility.

²⁴₂₄ The Debtors are still conducting substantive consolidation analysis. To provide update prior to Disclosure Statement Hearing.

(b) **Other Plan Funding.** Other than as set forth in Article 6.3(a) of the Plan, all Cash necessary for the Reorganized Debtors to make payments required by the Plan shall be obtained from the Debtors' Cash balances then on hand and/or Cash from business operations, after giving effect to the transactions contemplated herein.

3. Authorization and Issuance of New Notes

On or as soon as reasonably practicable after the Effective Date, Reorganized Ryckman shall issue the New Notes (which shall be subject to the New AAL), the terms of which are summarized in the Plan and the Plan Supplement, and the final form of which shall be acceptable to the Reorganized Debtors and the Required Consenting Parties. The Reorganized Debtors are authorized to issue the New Notes without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

4. Authorization and Issuance of New Holdings Equity and New Ryckman Common Units

(a) On the Effective Date, Reorganized Holdings shall authorize and issue the New Holdings Equity, which shall include any New Common Units and any New Preferred Units in accordance with the Plan (including the Plan Supplement) and Reorganized Ryckman shall authorize and issue the New Ryckman Common Units. Distribution of New Holdings Equity and the New Ryckman Common Units hereunder shall constitute issuance of 100% of the New Holdings Equity and 100% of the New Ryckman Common Units, respectively, and shall be deemed issued on the Effective Date. The issuance of New Holdings Equity by Reorganized Holdings, including options for the purchase thereof or other equity awards, if any, providing for the issuance of New Common Units, and the issuance of New Ryckman Common Units by Reorganized Ryckman is authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable.

(b) All of the membership units of New Holdings Equity and New Ryckman Common Units issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable, and the holders of New Preferred Units and New Common Units shall not be required to execute the New LLC Agreements before receiving their respective distributions of New Preferred Units and New Common Units under the Plan. Any such Entities who do not execute the New LLC Agreements shall be automatically deemed to have accepted the terms of the New LLC Agreements (in their capacity as membership unit holders of Reorganized Holdings) and to be parties thereto without further action. The New LLC Agreements shall be adopted on the Effective Date and shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Preferred Units and New Common Units shall be bound thereby.

(c) On the Effective Date, none of the New Holdings Equity or New Ryckman Common Units will be registered under the Securities Act or listed on a national securities exchange, the Reorganized Debtors will not be reporting companies under the Securities and Exchange Act of 1934 as amended (the "Exchange Act"), the Reorganized

Debtors shall not be required to and will not file reports with the Securities and Exchange Commission or any other entity or party. The Reorganized Debtors shall not be required to file monthly operating reports with the Bankruptcy Court after the Effective Date. To prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Exchange Act, except in connection with a public offering, the New Corporate Governance Documents may impose certain trading restrictions, and the New Holdings Equity and the New Ryckman Common Units will be subject to certain transfer and other restrictions pursuant to the New Corporate Governance Documents designed to maintain the Reorganized Debtors as private, non-reporting companies.

5. Exemption from Securities Act Registration Requirements

The offering, issuance, and distribution of any Securities pursuant to the Plan and any and all settlement agreements incorporated therein will be exempt from the registration requirements of Section 5 of the Securities Act pursuant to Bankruptcy Code section 1145, section 4(a)(2) of the Securities Act, or any other available exemption from registration under the Securities Act, as applicable. Section 4(a)(2) of the Securities Act exempts transactions not involving a public offering, and section 506 of Regulation D of the Securities Act provides a safe harbor under section 4(a)(2) for transactions that meet certain requirements. In addition, under Bankruptcy Code section 1145, if applicable, any Securities issued pursuant to the Plan and any and all settlement agreements incorporated therein will be freely transferable under the Securities Act by the recipients thereof, subject to (1) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments, (2) the restrictions, if any, on the transferability of such Securities and instruments in the governing documents to such Securities, and (3) any other applicable regulatory approval. In reliance upon these exemptions, the offer, issuance, and distribution of Securities will not be registered under the Securities Act or any applicable state blue sky laws, and may not be transferred, encumbered or otherwise disposed of in the absence of such registration or an exemption therefrom under the Securities Act or under such laws and regulations thereunder. Accordingly, the Securities may be subject to restrictions on transfer as set forth in the governing documents to such Securities.

6. Cancellation of the Prepetition Credit Facility and Interests

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing or creating any indebtedness or obligation of or ownership in the Debtors, shall be cancelled, including, but not limited to, (a) all notes, instruments, certificates, and other documents evidencing the Credit Facilities, (b) the Old AAL, (c) the Disbursement Agreement, and (d) Interests, and the obligations in any way related thereto (including the foregoing items (a), (b), (c), and (d)) shall be fully satisfied, released, and discharged.

7. Issuance of New Securities; Execution of Plan Documents

Except as otherwise provided in the Plan, on or as soon as reasonably practicable after the Effective Date, the Reorganized Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan.

8. Continued Corporate Existence

Except as otherwise provided in the Plan, including Articles 6.9, 6.10, and 6.11, the Debtors shall continue to exist after the Effective Date as separate entities, the Reorganized Debtors, with all the powers of limited liability companies under applicable law in the jurisdictions in which the Debtors have been formed, and pursuant to their certificates of formation and limited liability company agreements or other organizational documents in effect prior to the Effective Date, except to the extent such certificates of formation and limited liability company agreements or other organization documents are amended and restated by the Plan, including pursuant to Article 6.12, without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the Effective Date. To the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than the requisite filings required under applicable state, provincial, or federal law).

9. Restructuring Transactions

(a) On or following the Confirmation Date, the Debtors or Reorganized Debtors, as the case may be, shall take such actions as may be necessary or appropriate to effect the relevant restructuring transactions as set forth in the Plan and the Plan Transaction Documents, and may take other actions on or after the Effective Date.

(b) Prior to, on, or after the Effective Date, and pursuant to the Plan, the Reorganized Debtors shall enter into the restructuring transactions described herein and in the Disclosure Statement and the Plan Transaction Documents. The Debtors or the Reorganized Debtors, as applicable, shall take any actions as may be necessary or appropriate to effect a restructuring of the Debtors' businesses or the overall organizational structure of the Reorganized Debtors. The restructuring transactions may include one or more restructurings, conversions, dissolutions, or transfers as may be determined by the Debtors to be necessary or appropriate, including the dissolution of Peregrine Midstream and Peregrine Rocky Mountains as contemplated under Article 6.11 of the Plan. The actions taken by the Debtors or the Reorganized Debtors, as applicable, to effect the restructuring transactions may include: (i) the execution, delivery, adoption, and/or amendment of appropriate agreements or other documents of restructuring, conversion, disposition, or transfer containing terms that are consistent with the terms of the Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and that satisfy the applicable requirements of applicable state law and any other terms to which the applicable parties may agree; (ii) the execution, delivery, adoption, and/or amendment of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt, or obligation

on terms consistent with the terms of the Plan, the Disclosure Statement, the Plan Transaction Documents, and any ancillary documents and having other terms for which the applicable parties may agree; (iii) the filing of appropriate certificates of formation, merger, consolidation, dissolution, or conversion pursuant to applicable state law, including but not limited to an amended certificate of formation and LLC agreement with the appropriate governmental authorities; (iv) the cancellation of membership units and warrants; and (v) all other actions that the Debtors or the Reorganized Debtors, as applicable, determine to be necessary, desirable, or appropriate to implement, effectuate, and consummate the Plan or the restructuring transactions contemplated hereby, including making filings or recordings that may be required by applicable state law in connection with the restructuring transactions.

10. Dissolution of Certain of the Debtors

The anticipated post-Effective Date structure of the Reorganized Debtors shall be a holding company and operating company structure, with the assets of the Debtors transferred to the operating company, Reorganized Ryckman, which shall be wholly owned by the holding company, Reorganized Holdings. On the Effective Date, Peregrine Midstream and Peregrine Rocky Mountains shall be deemed dissolved under applicable state law (by merger with and into Reorganized Holdings or otherwise) for all purposes without the necessity for any other or further actions to be taken by or on behalf of such Entities or payments to be made in connection therewith; provided, however, the Debtors, the Reorganized Debtors, or the Disbursement Agent, as applicable, may, but is not required to take any actions it determines to be desirable to effectuate the foregoing.

11. Closing of the Chapter 11 Cases

On the Effective Date, pursuant to the Inactive Debtors Final Decree, the Chapter 11 Cases of the Debtors other than Ryckman shall be closed. Until entry of a final decree closing all of the Chapter 11 Cases, the closing of the Chapter 11 Cases of the Debtors other than Ryckman under Article 6.12 of the Plan shall be for procedural purposes and for purposes of calculating fees payable under section 1930 of title 28 of the United States Code only, and shall not prejudice the rights of any Creditor with respect to such Debtors or their Estates.

12. New Corporate Governance Documents

The New Corporate Governance Documents shall be adopted and amended as may be required so that they are consistent with the provisions of the Plan and otherwise comply with Bankruptcy Code section 1123(a)(6). After the Effective Date, the Reorganized Debtors may amend and restate the New Corporate Governance Documents and other constituent documents as permitted by applicable state LLC or other comparable alternative law, as applicable, and their certificates of formation and LLC agreements.

13. LLC Managers and Officers of the Reorganized Debtors

On the Effective Date, the term of the current members of the board of managers of Peregrine Midstream and Ryckman shall expire. On the Effective Date, the New Holdings

Board and the New Ryckman Board shall be appointed. On and after the Effective Date, each manager or officer of the Reorganized Debtors shall serve pursuant to the terms of the New Corporate Governance Documents and applicable state corporation law or alternative comparable law, as applicable.

14. Corporate Action

Each of the matters provided for under the Plan involving the corporate structure of the Debtors or the Reorganized Debtors or corporate action to be taken by or required of the Debtors or the Reorganized Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized, approved, and to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by stockholders, Creditors, or directors of the Debtors or the Reorganized Debtors. Such actions may include (a) the adoption and filing of the New Corporate Governance Documents, (b) the appointment of the New Holdings Board and the New Ryckman Board, (c) the issuance and distribution of New Holdings Equity (comprised of the New Preferred Units and the New Common Units) and New Ryckman Common Units, (d) entry into the Exit Facility, (e) entry into the New Notes, (f) issuance of Contingent Value Rights, and (g) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date).

15. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, and the officers thereof and members of the New Holdings Board and the New Ryckman Board, shall be authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, or to otherwise comply with applicable law, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to the Plan.

16. Employment, Retirement, and Other Agreements and Employee Compensation Plans

(a) **Employment Agreements.** The Debtors shall assume or reject employment, severance (change in control), retirement, indemnification, or other agreement with their pre-Effective Date managers, officers, and employees in accordance with the provisions of Article VII of the Plan. If the Debtors do not list such agreement on the list of “Assumed Executory Contracts and Unexpired Leases” contained in the Plan Supplement in accordance with Article 7.1 of the Plan, such agreement shall be deemed rejected. The Reorganized Debtors may enter into new employment arrangements and/or change in control agreements with the Debtors’ officers who continue to be employed after the Effective Date; provided, however, that to enter into or to obtain the benefits of any such employment agreement, such executive officer must contractually waive and release all pre-existing claims, including those arising from pre-existing employment, change in control, or other employment-related agreements and/or benefits under certain pre-existing compensation and benefit arrangements. On or after the Effective Date, the Reorganized Debtors may adopt, approve, and authorize the new employment arrangement and/or change in control agreement with respect to such officers of the Reorganized Debtors without further action, order, or approval of the New Holdings Board or the New Ryckman Board, as applicable.

(b) **Other Incentive Plans and Employee Benefits.** Unless otherwise specified in the Plan, and except in connection and not inconsistent with Article 6.17(a), on and after the Effective Date, the Reorganized Debtors shall have the sole discretion to (a) amend, adopt, assume, and/or honor, in the ordinary course of business or as otherwise provided herein, any contracts, agreements, policies, programs, and plans assumed pursuant to Article 7 of the Plan for, among other things, compensation, pursuant to the terms thereof or hereof, including any incentive plan, 401(k) plan, health care benefits, disability benefits, deferred compensation benefits, savings, severance benefits, retirement benefits, welfare benefits, workers’ compensation benefits, life insurance, and accidental death and dismemberment insurance for the managers, officers, and employees of the Debtors who served in such capacity from and after the Petition Date, and (b) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date.

17. Preservation Of Causes Of Action

In accordance with Bankruptcy Code section 1123(b)(3), the Reorganized Debtors shall retain and may (but are not required to) enforce all rights to commence and pursue any and all Causes of Action that are not released pursuant to Article 10.4 of the Plan or exculpated pursuant to Article 10.6 of the Plan or an order of the Bankruptcy Court, whether arising before or after the Petition Date, including any actions or categories of actions specifically enumerated in a list of retained Causes of Action contained in the Plan Supplement, and such Causes of Action shall vest in the Reorganized Debtors as of the Effective Date. The Reorganized Debtors, in their sole and absolute discretion, shall determine whether to bring, settle, release, compromise, or enforce such Causes of Action (or decline to do any of the foregoing), and shall not be required to seek further approval of the Bankruptcy Court for such action. The Reorganized Debtors or any successors may pursue such litigation claims in accordance with the best interests of the Reorganized Debtors or any successor holding such rights of action. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or an order of the Bankruptcy Court, the Reorganized Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of Confirmation or consummation of the Plan.

18. Reservation of Rights

With respect to any Cause of Action that the Debtors expressly abandon, if any, the Debtors and the Reorganized Debtors, as applicable, reserve all rights, including the right under Bankruptcy Code section 502(d) to use defensively the abandoned Causes of Action as a basis to object to all or any part of a claim against any of the Estates asserted by a Creditor who obtains the benefit of the abandoned Cause of Action. Except as set forth in Article X of the Plan, nothing contained in the Plan shall constitute or be deemed a waiver or abandonment of any Cause of Action that the Debtors or any Entity may hold against 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.

19. Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to Bankruptcy Code section 1146(a), any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment to the fullest extent contemplated by Bankruptcy Code section 1146(a), and upon entry of the Confirmation Order, the appropriate

state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation of any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

20. Termination of Utility Deposit Account

On the Effective Date, the Utility Deposit Account created pursuant to Bankruptcy Code section 366 shall be automatically terminated, and funds therein vest in the Reorganized Debtors. All deposits provided to utility providers under Bankruptcy Code section 366 shall likewise be returned on the Effective Date.

H. Unexpired Leases and Executory Contracts

1. Rejection of Executory Contracts and Unexpired Leases

(a) **Automatic Rejection.** Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date, unless any such Executory Contract or Unexpired Lease: (i) is listed on the Schedule of Assumed Executory Contracts and Unexpired Leases contained in the Plan Supplement; (ii) has been previously assumed or rejected by the Debtors by Final Order of the Bankruptcy Court or has been assumed by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date; (iii) is the subject of a motion to assume or reject pending as of the Effective Date; or (iv) is otherwise assumed pursuant to the terms herein.

The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date; provided however, that until the Effective Date, the Debtors may subsequently seek to assume an Executory Contract or Unexpired Lease previously slated for rejection by filing a motion to assume such Executory Contract or Unexpired Lease prior to the Effective Date, as set forth in Section 7.1(d) of the Plan. Counterparties to Executory Contracts or Unexpired Leases that are deemed rejected as of the Effective Date shall have the right to assert any Claim on account of the rejection of such Executory Contracts or Unexpired Leases subject to compliance with the requirements herein.

(b) **Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.** Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or the Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts.

(c) **Claims Procedures Related to Rejection of Executory Contracts or Unexpired Leases.** Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Executory Contracts and Unexpired Leases pursuant to the Plan or otherwise must be filed with the Claims, Noticing, and Solicitation Agent no later than 30 days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically and forever barred, estopped, and enjoined from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims.

(d) **Reservation of Rights.** Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the rejection of any Executory Contract or Unexpired Lease.

2. Assumption of Executory Contracts and Unexpired Leases

(a) **Assumption.** Except as otherwise provided herein, upon the occurrence of the Effective Date, each Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases shall be assumed, or assumed and assigned, as applicable, and shall vest in and be fully enforceable by the Reorganized Debtors or its assignee in accordance with its terms, except as modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing or providing for its assumption or applicable federal law. With respect to each such Executory Contract and Unexpired Lease listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contracts and Unexpired Leases may be conditioned upon the disposition of all issues with respect to such Cure. The Confirmation Order will constitute an order of the Bankruptcy Court approving such assumptions pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date. To the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan (including any “change of control” provision) restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the Reorganized Debtors’ assumption of such Executory Contract or Unexpired Lease, then such provision shall be deemed modified such that the transactions contemplated by the Plan will not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Each Executory Contract and Unexpired Lease assumed pursuant to Article 7.2 of the Plan will revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

(b) **Modifications, Amendments, Supplements, Restatements, or Other Agreements.** Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated pursuant hereunder.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

(c) **Proofs of Claim Based on Executory Contracts or Unexpired Leases that Have Been Assumed.** To the extent that any and all Proofs of Claims include any claims based on Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, pursuant to the order approving such assumption, including the Confirmation Order, the portion of such Proofs of Claim addressing cure obligations for Executory Contracts or Unexpired Leases shall be deemed disallowed and expunged from the claims register as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court.

(d) **Cure Procedures and Payments Related to Assumption of Executory Contracts and Unexpired Leases.** With respect to each of the Executory Contracts or Unexpired Leases assumed hereunder, the Debtors shall designate a proposed Cure, and the assumption of such Executory Contract or Unexpired Lease shall be conditioned upon the disposition of all issues with respect to Cure. Except as otherwise set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases in the Plan Supplement, the Cure amount with respect to each of the Executory Contracts or Unexpired Leases assumed hereunder is designated by the Debtors as \$0, subject to the determination of a different Cure amount pursuant to the procedures set forth herein and in the Cure Notices. Except with respect to Executory Contracts and Unexpired Leases for which the Cure is \$0, the Cure shall be satisfied by the Reorganized Debtors or their assignee, if any, by payment of the Cure in Cash on the later of (a) 30 days following the occurrence of the Effective Date or as soon as reasonably practicable thereafter; or (b) for any Cure amounts subject to dispute, 30 days after the underlying Cure dispute is resolved, on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court.

Any provisions or terms of the Executory Contracts or Unexpired Leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of Cure. If there is a dispute regarding such Cure, the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of

future performance” within the meaning of Bankruptcy Code section 365, or any other matter pertaining to assumption, then payment of Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. The Debtors or the Reorganized Debtors, as applicable, reserve the right either to reject or nullify the assumption of any Executory Contract or Unexpired Lease after a Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease is made.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Cures, Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption.

(e) **Cure Notices.** No later than 3 days after the Debtors file the Schedule of Assumed Executory Contracts and Unexpired Leases (or any amendments thereof), the Debtors shall serve upon counterparties to such Executory Contracts and Unexpired Leases (but shall not file) a Cure Notice that will (i) notify the counterparty of the proposed assumption, (ii) list the applicable Cure, if any, set forth on the Schedule of Assumed Executory Contracts and Unexpired Leases, (iii) describe the procedures for filing objections to the proposed assumption or assumption and assignment of the applicable Executory Contract or Unexpired Lease, (iv) describe the procedures for filing objections to the proposed Cure of the applicable Executory Contract or Unexpired Lease, and (v) explain the process by which related disputes will be resolved by the Bankruptcy Court. If no objection is timely received, (x) the non-Debtor party to the Executory Contract or Unexpired Lease to be assumed shall be deemed to have consented to the assumption of the applicable Executory Contract or Unexpired Lease and shall be forever barred from asserting any objection with regard to such assumption, and (y) the proposed Cure shall be controlling, notwithstanding anything to the contrary in any applicable Executory Contract or Unexpired Lease or other document as of the date of the filing of the Plan, and the non-Debtor party to an applicable Executory Contract or Unexpired Lease shall be deemed to have consented to the Cure amount and shall be forever barred from asserting, collecting, or seeking to collect any additional amounts relating thereto against the Debtors or the Reorganized Debtors, or the property of any of them.

(f) **Cure Objections.** If a proper and timely objection to the Cure Notice or proposed Cure was filed by the Cure Objection Deadline, the Cure shall be equal to (i) the amount agreed to between the Debtors or Reorganized Debtors, as applicable, and the applicable counterparty, or, (ii) to the extent the Debtors or Reorganized Debtors and counterparty do not reach an agreement regarding any Cure or any other matter related to assumption, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. Objections, if any, to the proposed assumption and/or Cure must be in writing,

filed with the Bankruptcy Court and served in hard-copy form on the parties identified in the Cure Notice so that they are actually received by the Cure Objection Deadline.

(g) **Hearing with Respect to Objections.** If an objection to the proposed assumption and/or to the Cure is timely filed and received in accordance with the procedures set forth in Article 7.2(f) of the Plan, and the parties do not reach a consensual resolution of such objection, a hearing with respect to such objection shall be held at such time scheduled by the Bankruptcy Court or the Debtors or Reorganized Debtors. Objections to the proposed Cure or assumption of an Executory Contract or Unexpired Lease will not be treated as objections to Confirmation of the Plan.

(h) **Reservation of Rights.** Notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors may amend their decision with respect to the assumption of any Executory Contract or Unexpired Lease and provide a new notice amending the information provided in the applicable notice. In the case of an Executory Contract or Unexpired Lease designated for assumption that is the subject of a Cure Objection which has not been resolved prior to the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may designate such Executory Contract or Unexpired Lease for rejection at any time prior to the payment of the Cure.

3. Contracts and Leases Entered into After the Petition Date

Contracts and leases entered into after the Petition Date by the Debtors, and any Executory Contracts and Unexpired Leases assumed by the Debtors, may be performed by the Reorganized Debtors in the ordinary course of business and in accordance with the terms thereof.

4. General Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the 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 the Reorganized Debtors, or any of their Affiliates, 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 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

I. Procedures for Resolving Disputed Claims and Interests

1. Determination of Claims and Interests

After the Effective Date, the Reorganized Debtors shall have and retain any and all rights, claims, causes of action, and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action retained

pursuant to Article 6.17 of the Plan, except with respect to any Causes of Action expressly released under the Plan.

Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim or Interest shall become an Allowed Claim or Allowed Interest unless and until such Claim or Interest is deemed Allowed by the Debtors or the Reorganized Debtors in their sole discretion (including by written agreement with the affected Creditor) or the Bankruptcy Court has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing such Claim or Interest. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties. For the avoidance of doubt, any Claim determined and liquidated pursuant to (a) an order of the Bankruptcy Court, (b) applicable non-bankruptcy law (which determination has not been stayed, reversed, or amended and as to which determination or any revision, modification, or amendment thereof as to which the time to appeal or seek review or rehearing has expired and no appeal or petition for review or rehearing was filed or, if filed, remains pending), or (c) an agreement with the Debtors or the Reorganized Debtors as set forth herein shall be deemed an Allowed Claim in such liquidated amount and satisfied in accordance with the Plan.

Nothing contained in Article 8.1 of the Plan shall constitute or be deemed a waiver of any claim, right, or Cause of Action that the Debtors or the Reorganized Debtors may have against any Entity in connection with or arising out of any Claim, including any rights under section 157(b) of title 28 of the United States Code.

2. Claims Administration Responsibility

Except as otherwise specifically provided for in the Plan, after the Effective Date, the Reorganized Debtors shall retain responsibility for and have authority to (a) administer, dispute, object to, compromise, or otherwise resolve all Claims against, and Interests in, the Debtors, including (i) filing, withdrawing, or litigating to judgment objections to Claims or Interests, (ii) settling or compromising any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court, and (iii) administering and adjusting the claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court, and (b) making distributions (if any) with respect to all Claims. After the Effective Date, the Reorganized Debtors shall be entitled to settle any Claim by written agreement with the claimholder, without any further notice to or action, order, or approval by the Bankruptcy Court, and the Claims, Noticing, and Solicitation Agent shall be entitled to rely on the Reorganized Debtors' representation and adjust the claims register accordingly.

3. Objections to Claims

Unless otherwise extended by the Bankruptcy Court, any objections to Claims (other than Administrative Claims) shall be served and filed on or before the Claims Objection Deadline (or such later date as may be established by the Bankruptcy Court upon request of

the Reorganized Debtors without further notice to parties-in-interest). Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the Holder of the Claim if the Debtors or the Reorganized Debtors effect service in any of the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004, (b) to the extent counsel for a Holder of a Claim or Interest is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address), or (c) by first class mail, postage prepaid, on any counsel that has appeared on behalf of the Holder of the Claim in the Chapter 11 Cases and has not withdrawn such appearance.

4. Expungement or Adjustment of Claims Without Objection

Any Claim that has been fully or partially paid, satisfied, or superseded may be expunged or adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. Any claim that has been amended (by agreement between the Reorganized Debtor and the affected Creditor, or otherwise) may be adjusted on the claims register by the Reorganized Debtors, or the Claims, Noticing, and Solicitation Agent acting at the direction of the Reorganized Debtors. The Reorganized Debtors are authorized to take the foregoing actions without requiring that a claims objection be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

5. Disallowance of Claims

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE DEADLINE FOR FILING SUCH PROOFS OF CLAIM SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO, 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 SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A FINAL ORDER OF THE BANKRUPTCY COURT.

Nothing herein shall in any way alter, impair, or abridge the legal effect of the Bar Date Order, or the rights of the Debtors, the Reorganized Debtors, the Creditors' Committee before the Effective Date, or other parties in interest to object to Claims on the grounds that they are time barred or otherwise subject to disallowance or modification. Nothing in the Plan shall preclude amendments to timely filed Proofs of Claim to the extent permitted by applicable law; provided, however that any such amendments that are filed after the Effective Date, shall require permission from the Bankruptcy Court, unless such requirement is expressly waived by the Reorganized Debtors.

All Claims of any Entity from which property is sought by the Debtors under Bankruptcy Code sections 542, 543, 550, or 553 or that the Debtors or the Reorganized

Debtors allege is a transferee of a transfer that is avoidable under Bankruptcy Code sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) shall be disallowed if (a) the Entity, on the one hand, and the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

6. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate a Claim pursuant to Bankruptcy Code section 502(c) for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Disputed Claim, including during the litigation of any objection to any Disputed Claim or during the pendency of any appeal relating to such objection. In the event that the Bankruptcy Court estimates any Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), without prejudice to the Holder of such Claim's right to request that estimation should be for the purpose of determining the Allowed amount of such Claim, and the Reorganized Debtors may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. All estimation procedures set forth in the Plan shall be applied in accordance with Bankruptcy Code section 502(c). Disputed Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Plan or the Bankruptcy Court.

7. No Interest on Disputed Claims

Unless otherwise specifically provided for in the Plan or as otherwise required by Bankruptcy Code section 506(b), postpetition interest shall not accrue or be paid on Claims or Interests, and no Holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any Claim or Interest. Additionally, and without limiting the foregoing, unless otherwise specifically provided for in the Plan or as otherwise required by Bankruptcy Code section 506(b), interest shall not accrue or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made, when and if such Disputed Claim becomes an Allowed Claim. For the avoidance of doubt, the Prepetition Credit Agreement Secured Claims, Bridge Facility Claims, and DIP Facility Claims are not Disputed Claims.

8. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein, a Claim may not be amended without the authorization of the Bankruptcy Court or the Reorganized Debtors,

and, to the extent such authorization is not received, any such new or amended Claim shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court. On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such authorization is not received, any such new or amended Claim filed shall be deemed Disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court.

J. Provisions Governing Distributions

1. Time of Distributions

Except as otherwise provided for herein or ordered by the Bankruptcy Court, distributions under the Plan shall be made on the later of (a) Initial Distribution Date or (b) on the first Periodic Distribution Date occurring after the later of, (i) 30 days after the date when a Claim is Allowed or (ii) 30 days after the date when a Claim becomes payable pursuant to any agreement between the Debtors (or the Reorganized Debtors) and the Holder of such Claim; provided, however, that the Reorganized Debtors may, in their sole discretion, make one-time distributions on a date that is not a Periodic Distribution Date.

2. Currency

Except as otherwise provided in the Plan or Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate as of Effective Date at 4:00 p.m. prevailing Eastern Time, mid-range spot rate of exchange for the applicable currency as published in the next The Wall Street Journal, National Edition following the Effective Date.

3. Distribution Agent

Except as otherwise provided herein, all distributions under the Plan shall be made by the Distribution Agent, or by such other Entity designated by the Reorganized Debtors as the Distribution Agent on the Effective Date. The Distribution Agent shall not be required to give any bond or surety or other security for the performance of the Reorganized Debtors' duties as Distribution Agent unless otherwise ordered by the Bankruptcy Court. The Distribution 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 Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof. If the Distribution Agent is an entity other than the Reorganized Debtors, such entity shall be paid its reasonable fees and expenses, including the reasonable fees and expenses of its attorneys or other professionals.

4. Distributions on Account of Claims Allowed After the Effective Date

(a) **No Distributions Pending Allowance.** No payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order of the Bankruptcy Court, and the Disputed Claim has become an Allowed Claim. **Special Rules for Distributions to Holders of Disputed Claims.** All distributions made pursuant to the Plan on account of a Disputed Claim that is later deemed an Allowed Claim by the Bankruptcy Court shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to Holders of Allowed Claims included in the applicable Class; provided, however, that no interest shall be paid on account to such Allowed Claims unless required under applicable bankruptcy law. Delivery of Distributions

(a) **Record Date for Distributions.** On the Distribution Record Date, the claims register shall be closed and the Distribution Agent shall be authorized and entitled to recognize only those record Holders listed on the claims register as of the close of business on the Distribution Record Date. The Agents shall have no obligation to recognize any transfer of any Prepetition Credit Agreement Secured Claims, Hedging Agreement Secured Claims, Prepetition Credit Agreement Deficiency Claims, Hedging Agreement Deficiency Claims, or DIP Facility Claims occurring after the close of business on the Distribution Record Date and shall instead be entitled to recognize and deal for all purposes under the Plan with only those Holders of record as of the close of business on the Distribution Record Date.

(b) **Cash Distributions.** Distributions of Cash may be made either by check drawn on a domestic bank or wire transfer from a domestic bank, at the option of the Reorganized Debtors, except that Cash payments made to foreign Creditors may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

(c) **Address for Distributions.** Distributions to Holders of Allowed Claims shall be made by the Distribution Agent (i) at the addresses set forth on the Proofs of Claim filed by such Holders of Claims (or at the last known addresses of such Holders of Claims if no Proof of Claim is filed or if the Debtors or the Distribution Agent have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Distribution Agent has not received a written notice of a change of address. The Debtors, the Reorganized Debtors, and the Distribution Agent shall not incur any liability whatsoever on account of any distributions under the Plan.

(d) **Undeliverable Distributions.** If any distribution to a Holder of a Claim is returned as undeliverable, no further distributions to such Holder of such Claim shall be made unless and until the Distribution Agent is notified of then-current address of such Holder of the Claim, at which time all missed distributions shall be made to such Holder of

the Claim without interest, dividends, or accruals of any kind on the next Periodic Distribution Date. Amounts in respect of undeliverable distributions shall be returned to the Reorganized Debtors until such distributions are claimed.

(e) **Reversion.** Any distribution under the Plan that is an Unclaimed Distribution for a period of six months after such distribution shall be deemed unclaimed property under Bankruptcy Code section 347(b) and such Unclaimed Distribution shall revert to and vest in the Reorganized Debtors free of any restrictions thereon, and to the extent such Unclaimed Distribution is New Holdings Equity, shall be deemed cancelled. Upon vesting, the Claim of any Holder or successor to such Holder with respect to such property shall be cancelled, discharged, and forever barred, notwithstanding federal or state escheat, abandoned, or unclaimed property laws to the contrary. The provisions of the Plan regarding undeliverable distributions and Unclaimed Distributions shall apply with equal force to distributions that are issued by the Reorganized Debtors or the Distribution Agent made pursuant to any note, indenture, or certificate (but only with respect to the initial distribution to Holders that are entitled to be recognized under the relevant note, indenture, or certificate and not with respect to Entities to whom those recognized Holders distribute), notwithstanding any provision in such note, indenture, or certificate to the contrary and notwithstanding any otherwise applicable federal or state escheat, abandoned, or unclaimed property law.

(f) **De Minimis Distributions.** Notwithstanding any other provision of the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make a distribution on account of an Allowed Claim if (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has a value less than \$100,000; provided that the Reorganized Debtors shall make, or cause to be made, a distribution on a Periodic Distribution Date of less than \$100,000 if the Reorganized Debtors expect that such Periodic Distribution Date shall be the final Periodic Distribution Date; or (ii) the amount to be distributed to the specific Holder of the Allowed Claim on the particular Periodic Distribution Date does not both (x) constitute a final distribution to such Holder and (y) have a value of at least \$50.00.

(g) **Fractional Distributions.** Notwithstanding any other provision of the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall not be required to make partial distributions or distributions of fractional membership units of New Holdings Equity, or distributions or payments of fractions of dollars. Whenever any payment or distribution of a fractional membership unit of New Holdings Equity under the Plan would otherwise be called for, such fraction shall be deemed zero. Whenever any payment of Cash of a fraction of a dollar pursuant to the Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

6. Accrual of Dividends and Other Rights

For purposes of determining the accrual of dividends or other rights after the Effective Date, New Holdings Equity shall be deemed distributed as of the Effective Date regardless of the date on which it is actually issued, dated, authenticated, or distributed; provided, however,

the Reorganized Debtors shall not pay any such dividends or distribute such other rights, if any, until after distributions of New Holdings Equity actually take place.

7. Compliance Matters

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

8. Claims Paid or Payable by Third Parties

The Claims, Noticing, and Solicitation Agent shall reduce in full a Claim to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not the Debtors or the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court. 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 the Debtors or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution under the Plan to the Reorganized Debtors, 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.

9. Setoffs and Recoupment

Except as otherwise expressly provided for in the Plan and except with respect to any DIP Facility Claims, Prepetition Credit Agreement Secured Claims, and any distribution on account thereof, the Reorganized Debtors pursuant to the Bankruptcy Code (including Bankruptcy Code section 553), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may set off against or recoup from any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Reorganized Debtors of any such Claims, rights, and Causes of Action that the Reorganized Debtors may possess against such Holder.

10. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such distribution shall, to the extent permitted by applicable law, be allocated for federal income tax purposes to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

K. Effect of the Plan on Claims and Interests

1. Vesting of Assets

Except as otherwise explicitly provided in the Plan, on the Effective Date, all property comprising the Estates (including Causes of Action, but excluding property that has been abandoned pursuant to an order of the Bankruptcy Court) shall vest in Reorganized Ryckman (and the equity in Reorganized Ryckman shall vest in Reorganized Holdings) free and clear of all Claims, Liens, charges, encumbrances, rights, and Interests. As of and following the Effective Date, the Reorganized Debtors may operate their business and use, acquire, and dispose of property and settle and compromise Claims, Interests, or Causes of Action without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

2. Discharge of the Debtors

Pursuant to Bankruptcy Code section 1141(d), except as otherwise specifically provided in the Plan or the Confirmation Order, and effective as of the Effective Date: (a) the distributions and rights that are provided in the Plan, if any, and the treatment

of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and causes of action (whether known or unknown, including any interest accrued on such Claims from and after the Petition Date) against, liabilities of, Liens on, obligations of, rights against, and 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, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), in each case whether or not (i) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed under Bankruptcy Code section 501, (ii) a Claim or Interest based upon such Claim, debt, right, or Interest is allowed under Bankruptcy Code section 502, or (iii) the Holder of such a Claim, right, or Interest accepted the Plan; (b) the Plan shall bind all Holders of Claims and Interests notwithstanding whether any such Holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under Bankruptcy Code section 502(g); and (d) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, their successors and assigns, and their assets and properties any other Claims or 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. The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

3. Compromises and Settlements

The Plan is intended to incorporate the agreements reached in the Plan Support Agreement (including the Plan Support Agreement Term Sheet). Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various (a) Claims or Interests and (b) Causes of Action that the Debtors have against other Entities up to the Effective Date. After the Effective Date, any such right shall pass to the Reorganized Debtors as contemplated in Article 10.1 of the Plan, without the need for further approval of the Bankruptcy Court. Pursuant to Bankruptcy Code section 363 and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan or any distribution to be made on account of an Allowed Claim, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that any such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests, and is fair, equitable, and reasonable.

4. Release by Debtors

Pursuant to Bankruptcy Code section 1123(b), as of the Effective Date, the Debtors and their Estates, the Reorganized Debtors, and each of their respective current and former Affiliates shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, the Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, nothing in Article 10.4 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to Bankruptcy Code section 1141(d).

5. Release by Holders of Claims and Interests

As of the Effective Date, the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released, waived, and discharged the Debtors, the Reorganized Debtors, their Estates, non-Debtor Affiliates, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims, asserted or capable of being asserted on behalf of the Debtors and their Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or in any way relating to, or in any

manner arising from, in whole or in part, the Debtors, the operation of the Debtors prior to, on, or after the Petition Date, the Debtors' restructuring, the Chapter 11 Cases, the Bridge Facility, the DIP Facility, the Prepetition Credit Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors provided under any applicable law, rule, or regulation, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the DIP Credit Agreement, the Prepetition Credit Agreement, the Plan, the Disclosure Statement, the Plan Support Agreement, the Plan Supplement, the Exit Facility, any other Plan Transaction Document, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date of the Plan, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any post-Effective Date obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan.

For the avoidance of doubt, except as expressly provided herein, nothing in Article 10.5 of the Plan shall in any way affect the operation of Article 10.2 of the Plan, pursuant to Bankruptcy Code section 1141(d).

6. Exculpation and Limitation of Liability

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any Exculpated Claim; provided, however, that the foregoing "exculpation" 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 gross negligence or willful misconduct.

The Exculpated Parties have, and upon Confirmation shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including with regard to the distributions of the New Holdings Equity and the New Ryckman Common Units pursuant to the Plan and, therefore, are not and shall not be liable at any time for the violations of any applicable, law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

7. Indemnification Obligations

From and after the Effective Date, any obligations or rights of any Debtor to indemnify, defend, or advance expenses to its present and former directors, officers, employees, agents, representatives, or other Indemnitees under any Debtor's certificate of incorporation, certificate of formation, bylaws, operating agreement, other corporate governance documents, employee indemnification policy, or under state law, or any agreement with respect to any claim, demand, suit, cause of action, or proceeding related to such person's service with, for, or on behalf of any of the Debtors prior to the Effective Date shall be nullified and rejected as of the Effective Date, and the Reorganized Debtors' shall not be required to indemnify, defend, or advance expenses to any such party or Indemnitee for any such obligations (including Indemnification Obligations) based on claims, transactions, events, or occurrences occurring prior to the Effective Date. The treatment of Indemnification Obligations in Article 10.7 and under the Plan shall be in complete satisfaction, discharge, and release of any such indemnity claims or Indemnification Obligations, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of the Plan.

8. Injunction

The satisfaction, release, and discharge pursuant to Article X shall act as an injunction, from and after the Effective Date, against any Entity (a) commencing or continuing in any manner or in any place, any action, employment of process, 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, in each case with respect to any Claim, Interest, or Cause of Action satisfied, released or to be released, exculpated or to be exculpated, or discharged under the Plan or pursuant to the Confirmation Order and to the fullest extent authorized or provided by the Bankruptcy Code, including to the extent provided for or authorized by sections 524 and 1141 thereof; provided, however, that nothing contained herein shall preclude such Entities from exercising their rights pursuant to and consistent with the terms of the Plan or the Confirmation Order.

9. Subordination Rights

(a) All Claims and all rights and claims between or among Holders of Claims relating in any manner whatsoever to distributions on account of Claims or Interests, based upon any claimed subordination rights, whether asserted or unasserted, legal or equitable, shall be deemed satisfied by the distributions under the Plan to Holders of Claims having such subordination rights, and such subordination rights shall be deemed waived, released, discharged, and terminated as of the Effective Date. Except as otherwise specifically provided for in the Plan, distributions to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

(b) Except as otherwise provided in the Plan, including Article 10.4 and Article 10.6, the right of the Debtors or the Reorganized Debtors to seek subordination of any Claim or Interest pursuant to Bankruptcy Code section 510 is fully reserved, and the treatment afforded any Claim or Interest that becomes a subordinated Claim or Interest at any time shall be modified to reflect such subordination. Unless the Plan or the Confirmation Order otherwise provide, no distributions shall be made on account of a Claim subordinated pursuant to this Article 10.9(b) unless ordered by the Bankruptcy Court.

10. Protection Against Discriminatory Treatment

Consistent with Bankruptcy Code section 525 and paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another entity with whom the Reorganized Debtors have been associated, solely because the Debtors have been debtors under chapter 11, have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or have not paid a debt that is dischargeable in the Chapter 11 Cases.

11. Release of Liens

(a) On the Effective Date, all Liens and security interests of the Prepetition Agent and Prepetition Lenders securing the obligations under the Prepetition Credit Agreement and other Prepetition Loan Documents shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Holders of the New Notes, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the New Notes, and shall not enhance or alter the proposed priority or treatment of any Liens securing the New Notes described herein.

(b) On the Effective Date, all Liens and security interests of the DIP Agent and DIP Lenders securing the DIP Facility shall remain in effect, remain validly perfected Liens and security interests (without any further action by any other party) and automatically, and without further action, be ratably assigned to the Exit Lenders, provided, however, that any such assigned Liens and security interests shall be subject to the terms, conditions, and limitations set forth herein regarding the nature, scope, and priority of Liens securing the Exit Facility.

(c) Except as otherwise provided in the Plan, including in (a) and (b) above, 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 any property of the Estates shall be fully released, and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and

their successors and assigns. Notwithstanding the above, nothing in the Plan or the Confirmation Order shall release any deed restriction, easements, or institutional control that runs with the land under environmental law.

12. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an entity pursuant to Bankruptcy Code section 502(e)(1)(B), then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed notwithstanding Bankruptcy Code section 502(j), unless prior to the Effective Date (1) such Claim has been adjudicated as noncontingent or (2) the relevant Holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim and a Final Order has been entered determining such Claim as no longer contingent, subject to the effectiveness of Articles 10.4, 10.5, and 10.6, as such Articles appear without any amendment or modification in the original filing of the Plan.

L. Conditions Precedent

1. Conditions to the Effective Date of the Plan

The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with Article 11.2 of the Plan:

(a) the Plan and Plan Transaction Documents shall be in a form and substance consistent in all material respects with the Plan Support Agreement;

(b) the Bankruptcy Court shall have entered the Disclosure Statement Order, and such order shall be a Final Order;

(c) the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the Required Consenting Parties, and such order shall be a Final Order;

(d) the Debtors (i) shall have obtained the Exit Facility, (ii) shall have executed and delivered the documentation governing the Exit Facility, which Exit Facility shall close substantially contemporaneously with the Effective Date, and (iii) all conditions to effectiveness of the Exit Facility shall have been satisfied or waived (or will be satisfied and waived substantially concurrently with the occurrence of the Effective Date);

(e) the New Corporate Governance Documents shall have been adopted and (where required by applicable law) filed with the applicable authorities of the relevant jurisdictions of organization and shall have become effective in accordance with such jurisdiction's corporation, limited liability company, or alternative comparable laws, as applicable;

(f) all authorizations, consents, certifications, approvals, rulings, no action letters, opinions, or other documents or actions required by any law, regulation, or order

to be received or to occur in order to implement the Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors;

(g) all other document and agreements necessary to implement the Plan on the Effective Date shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred;

(h) all statutory fees and obligations then due and payable to the Office of the United States Trustee shall have been paid and satisfied in full.

2. Waiver of Conditions Precedent

The conditions set forth in Article 11.1 of the Plan may be waived, in whole or in part, by the Debtors or the Required Consenting Parties, without any notice to any other parties in interest or the Bankruptcy Court and without a hearing.

3. Notice of Effective Date

The Reorganized Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in Article 11.1 of the Plan have been satisfied or waived pursuant to Article 11.2 of the Plan.

4. Effect of Non-Occurrence of Conditions to Consummation

If prior to consummation of the Plan, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, the Plan will be null and void in all respects, and nothing contained in the Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action, (b) prejudice in any manner the rights of the Debtors or any other Entity, or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtors or any other Entity.

M. Retention of Jurisdiction

Pursuant to Bankruptcy Code sections 105(a) and 1142, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

(a) resolve any matters related to Executory Contracts and Unexpired Leases, including: (i) the assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases to which the Debtors are a party or with respect to which the Debtors may be liable, and to hear and determine the allowance of Claims resulting therefrom including the amount of Cure, if any, required to be paid; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (iii) the Reorganized Debtors' amendment, modification, or supplement after the Effective Date, pursuant to Article VII of the Plan, of the lists of Executory Contracts and Unexpired Leases

to be assumed or rejected or otherwise; and (iv) any dispute regarding whether a contract or lease is or was executory or expired;

(b) adjudicate any and all adversary proceedings, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases, the Plan, or that were the subject of proceedings before the Bankruptcy Court, prior to the Effective Date, proceedings to adjudicate the allowance of Disputed Claims and Disputed Interests, and all controversies and issues arising from or relating to any of the foregoing;

(c) ensure that distributions to Holders of Allowed Claims are accomplished as provided herein and adjudicate any and all disputes arising from or relating to distributions under the Plan;

(d) allow in whole or in part, disallow in whole or in part, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including hearing and determining any and all objections to the allowance or estimation of Claims or Interests filed and adjudicating any disputes between Creditors regarding priority or rights to payment or turnover of consideration distributed pursuant to the Plan, both before and after the Confirmation Date, including any objections to the classification of any Claim or Interest, and the resolution of request for payment of any Administrative Claim;

(e) hear and determine or resolve any and all matters related to Causes of Action;

(f) enter and implement such orders as may be appropriate if the Confirmation Order is for any reason stayed, revoked, modified, and/or vacated;

(g) issue and implement orders in aid of execution, implementation, or consummation of the Plan;

(h) consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(i) hear and determine all applications for allowance of compensation and reimbursement of Professional Claims under the Plan or under Bankruptcy Code sections 330, 331, 503(b), 1103, and 1129(a)(4);

(j) determine requests for the payment of Claims entitled to priority under Bankruptcy Code section 507(a)(1), including compensation and reimbursement of expenses of parties entitled thereto;

(k) adjudicate, decide, or resolve any and all matters related to Bankruptcy Code section 1141;

(l) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan and disputes arising in connection with any Entity's obligations incurred in connection with the Plan;

(m) hear and determine all suits or adversary proceedings to recover assets of the Debtors and property of their Estates, wherever located;

(n) hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code sections 346, 505, and 1146;

(o) resolve any matters relating to the pre- and post-confirmation sales of the Debtors' assets;

(p) grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to Bankruptcy Code section 365(d)(4);

(q) hear any other matter not inconsistent with the Bankruptcy Code;

(r) hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge;

(s) enter a final decree closing any and all of the Chapter 11 Cases;

(t) enforce all orders previously entered by the Bankruptcy Court; and

(u) hear and determine all matters relating to any Subordinated Claim.

From the Confirmation Date through the Effective Date, the Bankruptcy Court shall retain jurisdiction with respect to each of the foregoing items and all other matters that were subject to its jurisdiction prior to the Confirmation Date; provided, however, that the Bankruptcy Court shall not have nor retain exclusive jurisdiction over any post-Effective Date agreement, including but not limited to any of the Exit Facility Documents or the New Notes. Nothing contained herein shall be construed to increase, decrease, or otherwise modify the independence, sovereignty, or jurisdiction of the Bankruptcy Court.

N. Miscellaneous Provisions

1. Binding Effect

Upon the Effective Date, the Plan shall be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, all current and former Holders of Claims, all current and former Holders of Interests, and all other parties-in-interest and their respective heirs, successors, and assigns.

2. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code, as of the entry of the Confirmation Order as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. The Reorganized Debtors shall continue to pay fees pursuant to section 1930 of title 28 of the United States Code until the Chapter 11 Cases are closed by entry of the Inactive Debtors Final Decree (as to the Inactive Debtors) and a final decree as to Ryckman. Furthermore, following entry of the Confirmation Order, the Reorganized Debtors shall continue to file quarterly reports in compliance with Bankruptcy Rule 2015(a)(5), which such reports shall not purport to be prepared in accordance with GAAP and may not be construed as reports filed under the Exchange Act.

3. Modification and Amendments

Subject to the terms and conditions of the Plan Support Agreement, the Debtors may alter, amend, or modify, in a manner consistent with the Plan Support Agreement, the Plan under Bankruptcy Code section 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to substantial consummation of the Plan as defined in Bankruptcy Code section 1101(2), the Debtors may under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan.

4. Confirmation of the Plan

The Debtors request Confirmation of the Plan under Bankruptcy Code section 1129(b) with respect to any Impaired Class that does not accept the Plan pursuant to Bankruptcy Code section 1126. The Debtors reserve the right to amend the Plan to any extent, if any, that Confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

5. Additional Documents

On or before the Effective Date, in each case subject to the terms of the Plan Support Agreement, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as applicable, and Holders of Claims receiving distributions pursuant to the Plan 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 provision and intent of the Plan.

6. Dissolution of Creditors' Committee

Effective on the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon their members, professionals, and agents shall be released from any further duties, responsibilities, and liabilities in the Chapter 11 Cases and under the Bankruptcy Code, provided that obligations arising under confidentiality agreements, joint interest agreements,

and protective orders entered during the Chapter 11 Cases shall remain in full force and effect according to their terms. The Creditors' Committee may make applications for Professional Claims. The Professionals retained by the Creditors' Committee and the respective members of the Creditors' Committee shall not be entitled to compensation and reimbursement of expenses for services rendered after the Effective Date, provided, however, notwithstanding the foregoing, the Professionals retained by the Creditors' Committee shall be entitled to submit invoices for compensation and reimbursement of expenses for time spent with respect to applications for the allowance of compensation and reimbursement of expenses filed after the Effective Date and have such allowed amounts paid from the Holdback Escrow Account consistent with the procedures for payment from the Holdback Escrow Account set forth in the Plan.

7. Revocation, Withdrawal, or Non-Consummation

(a) **Right to Revoke or Withdraw.** The Debtors reserve the right to revoke or withdraw the Plan in a manner consistent with the Plan Support Agreement at any time prior to the Effective Date and file subsequent chapter 11 plans.

(b) **Effect of Withdrawal, Revocation, or Non-Consummation.** If the Debtors revoke or withdraw the Plan prior to the Effective Date, or if the Confirmation Date or the Effective Date does not occur, then the Plan, any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims or the allocation of the distributions to be made hereunder), the assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan shall be null and void in all respects. In such event, nothing contained herein or in the Disclosure Statement, and no acts taken in preparation for consummation of the Plan, shall be deemed to constitute a waiver or release of any Claims, Interests, or Causes of Action by or against the Debtors or any other Entity, to prejudice in any manner the rights and defenses of the Debtors, the Holder of a Claim or Interest, or any Entity in any further proceedings involving the Debtors, or to constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity.

8. Notices

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered on the Parties below shall be served as follows:

If to the Debtors or the Reorganized Debtors:

Ryckman Creek Resources, LLC
3 Riverway, Suite 1100
Houston, TX 77056
Attention: General Counsel

9. Term of Injunctions of Stays

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

10. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York shall govern the construction and implementation of the Plan, any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control). Corporate governance matters shall be governed by the laws of the state of formation of the applicable Reorganized Debtor.

11. Entire Agreement

Except as otherwise indicated, the Plan supersedes 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.

12. Severability

If, prior to Confirmation, any term or provision of the 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; provided, however, that any such revision, amendment, or modification must be consistent with the Plan Support Agreement. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the 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 the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms, (b) integral to the Plan and may not be deleted or modified without the Debtors' consent, and (c) nonseverable and mutually dependent.

13. No Waiver or Estoppel

Upon the Effective Date, each Holder of a Claim or Interest shall be deemed to have waived any right to assert that its Claim or Interest should be Allowed in a certain amount, in

a certain priority, be secured, or not be subordinated by virtue of an agreement made with the Debtors and/or their counsel, the Creditors' Committee and/or its counsel, or any other party, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Bankruptcy Court.

14. Conflicts

In the event that the provisions of the Disclosure Statement and the provisions of the Plan conflict, the terms of the Plan shall govern.

ARTICLE VII.

STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

A. The Confirmation Hearing

Bankruptcy Code section 1128(a) provides that the Bankruptcy Court, after notice, may conduct the Confirmation Hearing to consider Confirmation of the Plan. Bankruptcy Code section 1128(b) provides that any party in interest may object to Confirmation of the Plan.

B. Confirmation Standards

The following requirements must be satisfied under Bankruptcy Code section 1129(a) before the Bankruptcy Court may confirm a plan of reorganization.

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the Plan have complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the proponent, by a Debtor, or by a person issuing securities or acquiring property under a Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
5. The proponent of the Plan has disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a

director, officer, or voting trustee of the Debtors, an Affiliate of the Debtors participating in a joint Plan with a Debtor or a successor to a Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of Creditors and Holders of Interests and with public policies.

6. The proponent of the Plan has disclosed the identity of any Insider that will be employed or retained by the Reorganized Debtors and the nature of any compensation for such insider.
7. Any governmental regulatory commission with jurisdiction, after Confirmation, over the rates of the Debtor has approved any rate change provided for in the Plan.
8. With respect to each Holder within an Impaired Class of Claims or Interests, each such Holder (i) has accepted the Plan or (ii) will receive or retain under the Plan on account of such Claim or Interest property of value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.
9. With respect to each Class of Claims or Interests, such Class (i) has accepted the Plan or (ii) is Unimpaired under the Plan; provided, however, that if the Plan is rejected by an Impaired Class, the Plan may be confirmed if it “does not discriminate unfairly” and is “fair and equitable” as to such Class, is feasible, and is in the “best interests” of Holders of Claims and Interests that are Impaired under the Plan.
10. Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that:
 - with respect to a Claim of a kind specified in Bankruptcy Code sections 507(a)(2) or 507(a)(3), on the Effective Date of the Plan, the Holder of the Claim will receive on account of such Claim Cash equal to the Allowed amount of such Claim, unless otherwise agreed;
 - with respect to a Class of Claim of the kind specified in Bankruptcy Code sections 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7), each Holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred Cash payments of a value, on the Effective Date of the Plan, equal to the Allowed amount of such Claim or (ii) if such Class has not accepted the Plan, Cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and

- with respect to a Priority Tax Claim of a kind specified in Bankruptcy Code section 507(a)(8), the Holder of such Claim will receive on account of such claim deferred Cash payments, over a period not exceeding five years after the date of the order for relief, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.
11. If a Class of Claims is Impaired under the Plan, at least one Class of Claims that is Impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any Insider.
 12. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.
 13. All fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the hearing on Confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.
 14. The Plan provides that following the Effective Date of the Plan, subject to the Reorganized Debtors' rights, if any, under applicable non-bankruptcy law, unless otherwise ordered by the Bankruptcy Court, the Reorganized Debtors shall continue to pay all retiree benefits, as that term is defined in Bankruptcy Code section 1114, at the level established under subsection (e)(1)(B) or (g) of section 1114 of the Bankruptcy Code, at any time prior to Confirmation, for the duration of the period the debtor has obligated itself to provide such benefits.

C. Liquidation Analysis

As described above, Bankruptcy Code section 1129(a)(7) requires that each Holder of an Impaired Claim or Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.



Based on the Liquidation Analysis attached hereto as Exhibit C, the Debtors believe that the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code would be no greater than the value of distributions under the Plan.

As a result, the Debtors believe Holders of Claims and Interests in all Impaired Classes will recover at least as much as a result of Confirmation of the Plan as they would recover through a hypothetical chapter 7 liquidation.

D. Valuation Analysis



THE VALUATION INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN OR OF THE PRICES AT WHICH ANY SUCH SECURITIES MAY TRADE AFTER GIVING EFFECT TO THE TRANSACTIONS CONTEMPLATED BY THE PLAN. THIS VALUATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION AS REQUIRED BY SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS.

Solely for purposes of the Plan and the Disclosure Statement, Evercore, as investment banker to the Debtors, has estimated the total enterprise value (the “Total Enterprise Value”) and implied equity value (the “Equity Value”) of the Reorganized Debtors on a going concern basis.

In estimating the Total Enterprise Value of the Debtors, Evercore met with the Debtors’ senior management team to discuss the Debtors’ assets, operations and future prospects, reviewed the Debtors’ historical financial information, reviewed certain of the Debtors’ internal financial and operating data, reviewed the Financial Projections (as defined below), reviewed publicly available third-party information and conducted such other studies, analyses, and inquiries we deemed appropriate.

The valuation information set forth in this section represents a valuation of the Reorganized Debtors based on the application of standard valuation techniques. The estimated values set forth in this section: (i) do not purport to constitute an appraisal of the assets of the Reorganized Debtors; (ii) do not constitute an opinion on the terms and provisions or fairness from a financial point of view to any person of the consideration to be received by such person under the Plan; (iii) do not constitute a recommendation to any Holder of Allowed Claims as to how such person should vote or otherwise act with respect to the Plan; and (iv) do not necessarily reflect the actual market value that might be realized through a sale or liquidation of the Reorganized Debtors.

In preparing the estimates set forth below, Evercore has relied upon the accuracy, completeness, and fairness of financial and other information furnished by the Debtors.

Evercore did not attempt to independently audit or verify such information, nor did it perform an independent appraisal of the assets or liabilities of the Reorganized Debtors. Evercore did not conduct an independent investigation into any of the legal or accounting matters affecting the Debtors, and therefore takes no responsibility and makes no representation as to their impact on the Debtors or the Reorganized Debtors from a financial point of view.

The Debtors' financial projections for the Reorganized Debtors are attached as Exhibit B to the Disclosure Statement (the "Financial Projections"). The estimated values set forth herein assume that the Reorganized Debtors will achieve their Financial Projections in all material respects and will continue as an operating business. Evercore has relied on the Debtors' representation and warranty that the Financial Projections: (i) have been prepared in good faith; (ii) are based on fully disclosed assumptions, which, in light of the circumstances under which they were made, are reasonable; (iii) reflect the Debtors' best currently available estimates and (iv) reflect the good faith judgments of the Debtors. Evercore does not offer an opinion as to the attainability of the Financial Projections. As disclosed in the Disclosure Statement, the future results of the Reorganized Debtors are dependent upon various factors, many of which are beyond the control or knowledge of the Debtors and Evercore, and consequently are inherently difficult to project.

This report contemplates facts and conditions known and existing as of June 7, 2016. Events and conditions subsequent to this date, including updated projections, as well as other factors, could have a substantial effect upon the Total Enterprise Value. Among other things, failure to consummate the Plan in a timely manner may have a materially negative effect on the Total Enterprise Value. For purposes of this valuation, Evercore has assumed that no material changes that would affect value will occur between June 7, 2016 and the contemplated Effective Date of August 5, 2016.

The following is a summary of analyses performed by Evercore to arrive at its recommended range of estimated Total Enterprise Value for the Reorganized Debtors and does not purport to be a complete description of all of the analyses and factors undertaken to support Evercore's conclusions. The preparation of a valuation is a complex process involving various determinations as to the most appropriate analyses and factors to consider, and the application of those analyses and factors under the particular circumstances. As a result, the process involved in preparing a valuation report is not readily summarized.

In arriving at its valuation estimate, Evercore did not consider any one analysis or factor to the exclusion of any other analyses or factors. Accordingly, Evercore believes that its analysis and views must be considered as a whole and that selecting portions of its analysis and factors could create a misleading or incomplete view of the processes underlying the preparation of the valuation. Reliance on only one of the methodologies used or portions of the analysis performed could create a misleading or incomplete conclusion as to the estimated Total Enterprise Value.

1. Discounted Cash Flow Analysis

The discounted cash flow (“DCF”) analysis estimates the value of the Debtors’ business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by a range of discount rates above and below the Debtor’s weighted average cost of capital (the “Discount Rate”), as estimated by Evercore based on the capital asset pricing model. The Total Enterprise Value of the Reorganized Debtors is determined by calculating the present value of the Reorganized Debtors’ unlevered after tax free cash flows over the course of the projection period plus an estimate for the value of the Reorganized Debtors beyond the projection period, known as the terminal value. The terminal value is calculated using a range of estimated earnings before interest, taxes and depreciation and amortization expense (“EBITDA”) multiples, perpetuity growth rates and multiples of working gas capacity.

Although formulaic methods are used to derive the key estimates for the DCF methodology, their application and interpretation still involve complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors, which in turn affect its cost of capital and terminal multiples.

2. Precedent M&A Transactions Analysis

The precedent M&A transactions analysis estimates the value of a company by examining public and private transactions on both an enterprise and asset level basis. Under this methodology, transaction values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDA and working gas capacity. The Total Enterprise Value is calculated by applying these multiples to the Reorganized Debtors’ actual and projected financial and operational metrics. The selection of transactions for this purpose was based upon the type of underground storage facility, geographic location, scale and other characteristics that were deemed relevant. In deriving its valuation ranges, Evercore relied more heavily on the natural gas storage transactions that have occurred since January 2014 due to the deterioration in natural gas storage economics and resulting decline in reservation rates for natural gas storage capacity since that time.

Because no precedent merger or acquisition used in any analysis will be identical to the target transaction, valuation conclusions cannot be based solely on quantitative results. The reasons for, and circumstances surrounding, each acquisition transaction are specific to such transaction, and there are inherent differences between the businesses, operations and prospects of each target. Therefore, qualitative judgments must be made concerning the differences between the characteristics of these transactions and other factors and issues that could affect the price an acquirer is willing to pay in an acquisition. The number of completed transactions for which public data is available also limits this analysis. Furthermore, the data available for all the precedent transactions may have discrepancies due to varying sources of information.

3. Peer Group Trading Analysis

The peer group trading analysis estimates the value of a company based on a relative comparison with other publicly traded entities with similar operating and financial characteristics. Under this methodology, the enterprise value for each selected public entity is determined by examining the trading prices for the equity securities of such entity in the public markets and adding the aggregate amount of outstanding net debt for such entity. Such enterprise values are commonly expressed as multiples of various measures of financial and operating statistics, such as EBITDA. The Total Enterprise Value is then calculated by applying these multiples to the Reorganized Debtors' actual and projected financial and operational metrics. Although the peer group was compared to the Reorganized Debtors for purposes of this analysis, no entity used in the peer group trading analysis is identical or directly comparable to the Reorganized Debtors. In order to calculate peer group trading multiples, Evercore relied on publicly available filings with the SEC and equity research analyst estimates. The selection of public comparable entities for this purpose was based upon the amount of natural gas storage capacity owned, percentage of natural gas storage cash flow relative to cash flow from other businesses and the similarity of such other businesses to natural gas storage and other characteristics that were deemed relevant.

The selection of appropriate comparable entities is often difficult, a matter of judgment and subject to limitations due to sample size and the availability of meaningful market-based information. Accordingly, Evercore's comparison of the selected entities to the business of the Reorganized Debtors and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies and the Reorganized Debtors.

4. Total Enterprise Value and Implied Equity Value

As a result of the analysis described herein, Evercore estimates the Total Enterprise Value of the Reorganized Debtors to be approximately \$125 million - \$275 million, with a mid-point of \$200 million. Based on assumed pro forma debt of \$188.6 million as of an assumed Effective Date, the Total Enterprise Value implies an Equity Value range of (\$63.6) - \$86.4 million, with a mid-point of \$11.4 million.

Due to the nature of the natural gas storage industry and the operations of the Ryckman Creek Facility, the valuation of the Storage Facility could be significantly impacted positively or negatively by a variety of factors. Evercore believes that the value of the Storage Facility would be positively impacted by a scenario in which: (i) the Storage Facility operates without further incident and generates interest from potential long-term customers; (ii) the natural gas storage market tightens including increased volatility and larger seasonal differences in natural gas prices; and (iii) demand for natural gas storage capacity increases at the Opal Hub in Uinta County, Wyoming ("Operating Area"). Evercore believes that such a scenario will take time to be realized and could result in a Total Enterprise Value of the Reorganized Debtors of \$175 million to \$275 million or above. There is potential to be above this range under certain circumstances in the future such as natural gas storage margins rising dramatically and/or demand rising dramatically in the Operating Area, but Evercore did not

evaluate such circumstances. Evercore believes that the value of the Ryckman Creek Facility would be negatively impacted by a scenario in which: (i) there remains limited confidence from potential long-term firm storage service customers given the lack of significant operating history at the Storage Facility and limited certainty regarding long-term firm storage contracts; (ii) the natural gas market continues to lack volatility or large seasonal differences in natural gas prices; and (iii) there is no increase in demand for natural gas storage capacity in the Operating Area. Evercore would characterize such a scenario as the continuation of the current environment and believes that in such a scenario the Total Enterprise Value of the Reorganized Debtors would be approximately \$125 million to \$175 million.

The preceding analysis estimates a valuation range that is significantly different from the accounting book value of the Debtors' assets. The accounting book value of the Debtors' assets as of December 31, 2015 was approximately \$336.3 million, as disclosed in the Debtors' unaudited financial statements for the period ended on December 31, 2015. Such accounting book value is an accounting balance prepared in accordance with GAAP and is based upon historical costs adjusted for depreciation, depletion, and amortization. Book values of assets prepared in accordance with GAAP generally do not reflect the current performance of the assets or the impact of the commodity price environment and may be materially different from actual value and/or performance of the underlying assets.

E. Financial Feasibility

Bankruptcy Code section 1129(a)(11) requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their business.



The Debtors believe that the Plan meets the feasibility requirement set forth in Bankruptcy Code section 1129(a)(11). The Debtors' management, with the assistance of their advisors, have prepared the Financial Projections for the five months ending December 31, 2016 and the fiscal years ending December 31, 2016 through December 31, 2020. These Financial Projections and the assumptions upon which they are based, are attached hereto as Exhibit B.

In general, as illustrated by the Financial Projections, the Debtors believe that with the significantly deleveraged capital structure provided under the Plan and increased liquidity, the Reorganized Debtors should have sufficient cash flow and availability to make all payments required under the Plan while conducting ongoing business operations. The Debtors believe that confirmation and consummation of the Plan is therefore not likely to be followed by the liquidation or further reorganization of the Reorganized Debtors. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of Bankruptcy Code section 1129(a)(11).

THE FINANCIAL PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE MANAGEMENT BELIEVES THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS, WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS.

The Financial Projections have not been examined or compiled by independent accountants. The Debtors make no representation as to their ability to achieve the projected results. Many of the assumptions on which the projections are based are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the actual financial results. Therefore, the actual results achieved throughout the four-year period of the Financial Projections may vary from the projected results, and the variations may be material. All Holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the Financial Projections are based in connection with their evaluation of the Plan.

F. Acceptance by Impaired Classes

The Bankruptcy Code also requires, as a condition to Confirmation, that each Class of Claims or Interests that is Impaired but still receives distributions under the Plan vote to accept the Plan, unless the Debtors can “cram-down” such Classes, as described below. A Class that is Unimpaired is presumed to have accepted the Plan and, therefore, solicitation of acceptances with respect to such Class is not required. A Class is Impaired unless the Plan leaves unaltered the legal, equitable, and contractual rights to which the Claim or Interest entitles the Holder of such Claim or Interest, or the Debtors cure any default and reinstate the original terms of the obligation.

Under Bankruptcy Code sections 1126(c) and 1126(d) and except as otherwise provided in Bankruptcy Code section 1126(e): (i) an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than half in number of the voting Allowed Claims have voted to accept the Plan and (ii) an Impaired Class of Interests has accepted the Plan if the Holders of at least two-thirds in amount of the Allowed Interests of such Class actually voting have voted to accept the plan.

G. Confirmation Without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows the Bankruptcy Court to confirm the Plan, even if the Plan has not been accepted by all Impaired Classes, provided that the Plan has been accepted by at least one Impaired Class entitled to vote, without counting the vote of any insider, as defined in Bankruptcy Code section 101(31). Bankruptcy Code section 1129(b)

permits the Debtors to confirm the Plan, notwithstanding the failure of any Impaired Class to accept the Plan, in a procedure commonly known as “cram-down,” so long as the Plan “does not discriminate unfairly” and is “fair and equitable” as to each Impaired Class that has not accepted the Plan.

1. No Unfair Discrimination

A plan “does not discriminate unfairly” if (i) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class and (ii) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

The Debtors do not believe the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation.

2. Fair and Equitable Treatment

With respect to a dissenting class of claims or interests, the “fair and equitable” standard requires that a plan provide that either the claims or interests in each class received everything to which they are legally entitled or, with respect to unsecured claims, that classes junior in priority to the class receive nothing.

The Bankruptcy Code establishes different “fair and equitable” tests for holders of secured claims, unsecured claims, and interests, which may be summarized as follows:

a. Secured Claims. Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. Unsecured Claims. Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

c. Interests. Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock or (b) the value of the stock or (ii) the holders of interests that are junior to the stock will not

receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

The Debtors believe that the distributions provided under the Plan satisfy the “fair and equitable” requirements of the Bankruptcy Code. Certain Classes of Claims and Interests will receive no distribution under the Plan and are therefore conclusively deemed to reject the Plan. Accordingly, the Debtors will seek to confirm the Plan under Bankruptcy Code 1129(b) with respect to such Classes. In addition, although the Plan is predicated on the substantial support of certain of the Debtors’ Creditor constituencies, the Debtors reserve the right to seek confirmation of the Plan under Bankruptcy Code section 1129(b) if one or more voting Impaired Classes votes to reject the Plan.

ARTICLE VIII.

PLAN-RELATED RISK FACTORS

As noted above, there can be no guarantee that the assumptions, estimates, and projections underlying the Plan will continue to be accurate or valid at any time after the date hereof. This section of the Disclosure Statement explains that there are certain risk factors that each voting Holder of a Claim should consider in determining whether to vote to accept or reject the Plan. Accordingly, each Holder of a Claim who is entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or to reject the Plan.

A. General

The Plan sets forth the means for satisfying the Claims against and Interests in each of the Debtors. Certain Claims are not expected to be paid in full. Nevertheless, the reorganization of the Debtors’ business and operations under the proposed Plan avoids the potentially adverse impact of the likely increased delays and costs associated with a chapter 7 liquidation of the Debtors. The Plan has been proposed after a careful consideration of all reasonable restructuring alternatives. Despite the risks inherent in the Plan, as described herein, the Debtors believe that the Plan is in the best interests of Creditors when compared to all reasonable alternatives.

B. Plan May Not Be Accepted

There can be no assurance that the requisite acceptances to confirm the Plan will be obtained. Thus, while the Debtors believe the Plan is confirmable under the standards set forth in Bankruptcy Code section 1129, there is no guarantee that the Plan will be accepted by the requisite Classes entitled to vote on the Plan.

C. Certain Bankruptcy Considerations

Even if all voting Impaired Classes vote in favor of the Plan, and even if with respect to any Impaired Class deemed to have rejected the Plan the requirements for “cram-down” (discussed in more detail in Article VII herein) are met, the Bankruptcy Court, which, as a court of equity, may exercise substantial discretion, may choose not to confirm the Plan. Bankruptcy Code section 1129 requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors, and that the value of distributions to dissenting Holders of Claims and Interests will not be less than the value such Holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, see infra Article X. Although the Debtors believe that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

D. Claims Estimations

1. Generally.

The Debtors reserve the right to object to the amount or classification of any Claim or Interest except any such Claim or Interest that is deemed Allowed under the Plan or except as otherwise provided in the Plan. The estimated Claim amounts set forth herein reflect the Debtors’ expectation of the Claims that will ultimately be allowed in each Class. However, there can be no assurance that such estimated Claim amounts are correct or accurate. The estimated amounts are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual Allowed amount of Claims may vary significantly from those estimated herein.

2. The Debtors may have substantial Other Secured Claims.

The Debtors have estimated that Other Secured Claims in Class 1 will be minimal, based on their review to date of asserted Secured Claims, including those asserted in respect of purported contractors’ liens and oil and gas liens under Wyoming law (the “Purported Statutory Lien Claims”). Based on this review, the Debtors believe that few, if any, of the Purported Statutory Lien Claims are properly asserted as Secured Claims and, if agreement cannot be reached with the holders of the Purported Statutory Lien Claims, intend to object to such Claims to reclassify them as General Unsecured Claims. However, the Debtors’ legal and factual review is ongoing and there can be no certainty that the Debtors will prevail on any Claims objections. In the event that a substantial amount of the Purported Statutory Lien Claims are determined to be valid Other Secured Claims, the Reorganized Debtors may have insufficient liquidity to satisfy such Claims under the Plan.

E. Risk Factors That May Affect the Recoveries to Class 5 Under the Plan

1. The Debtors cannot guarantee what recovery will be available to Holders of Allowed Claims in Class 5.

Various factors make certainty in Creditor recoveries impossible. With respect to Class 5, the treatment afforded to such Class depends upon whether the Class votes to accept or reject the Plan. In the event Class 5 accepts, the number or amount of Claims in Voting Classes that will ultimately be Allowed will affect the size of each Holder's share of the Contingent Value Rights. In this instance, moreover, recoveries are dependent on the value of the Contingent Value Rights, which is highly uncertain and will depend on a number of future factors, many of which are beyond the Debtors' control. In the event that Class 5 rejects the Plan, the number or amount of Claims in Classes 4 and 5 that will ultimately be Allowed will affect the size of each Holder's share of the Unencumbered Assets. In this instance, moreover, recoveries are dependent on the value of the Unencumbered Assets, which is highly uncertain.

2. Actual amounts of Allowed Claims may differ from the estimated Claims and adversely affect the percentage recovery on certain Claims.

The Claims estimates set forth above are based on various assumptions. The actual amounts of certain Claims may differ significantly from those estimates should one or more of the underlying assumptions prove to be incorrect. Such differences may be material and adversely affect the percentage recovery to Holders of such Allowed Claims under the Plan.

3. The Reorganized Debtors may not achieve projected financial results or meet post-reorganization debt obligations and be able to finance all operating expenses, working capital needs, and capital expenditures.

The Reorganized Debtors may not be able to meet their projected financial results. To the extent the Reorganized Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, may not be able to meet their operational needs, and may not reach a value in excess of the CVR Threshold. Any one of these failures may preclude the Reorganized Debtors from, among other things: (i) increasing their current customer base; (ii) taking advantage of future opportunities; (iii) growing their business; or (iv) responding to competitive pressures. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve their projected revenues and cash flows could lead to cash flow and working capital constraints, which may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required. Further, even if the Reorganized Debtors were able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors. Any of these factors may, in turn, reduce or eliminate any value for Holders of Contingent Value Rights Claims. While the Debtors' Financial Projections represent management's view based on current known facts and assumptions about the future operations of the Reorganized Debtors, there is no guarantee that the Financial Projections will be realized. The Debtors do not, as a matter of course, publish their business plans and strategies

or forward-looking projections of financial position, results from operations, and cash flows. The Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or projections to the Holders of Claims or Interests, or to include such information in documents required to be filed with the Securities and Exchange Commission, if any, or to otherwise make such information public.

4. The Reorganized Debtors' business is uncertain and unproven.

Due to the nature of the natural gas storage industry and the limited historical operations of the Ryckman Creek Facility, the value of the Reorganized Debtors is highly uncertain. Among other things, the value of the Reorganized Debtors could be negatively impacted in the event that (i) there remains limited confidence from potential long-term firm storage service customers given the lack of significant operating history at the Ryckman Creek Facility and limited certainty regarding long-term firm storage contracts; (ii) the natural gas market continues to lack volatility or large seasonal differences in natural gas prices; or (iii) there is no increase in demand for natural gas storage capacity in the facility's operating area.

F. Bankruptcy-Specific Risk Factors That Could Negatively Impact the Debtors' Business

1. The Company is subject to the risks and uncertainties associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Company's operations and its ability to execute its business strategy will be subject to risks and uncertainties associated with bankruptcy. These risks include:

- the Company's ability to continue as a going concern;
- the Debtors' ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time;
- the Debtors' ability to develop, prosecute, confirm and consummate the proposed plan of reorganization outlined in the Plan Support Agreement or any other plan of reorganization with respect to the Chapter 11 Cases;
- the ability of third parties to seek and obtain court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a plan of reorganization, to appoint a United States Trustee, or to convert the Chapter 11 Cases to chapter 7 cases;
- the Company's ability to retain key vendors or secure alternative supply sources;
- the Company's ability to obtain and maintain normal payment and other terms with vendors and service providers;

- the Company's ability to maintain contracts that are critical to its operations;
- the Company's ability to attract, motivate, and retain management and other key employees; and
- the Company's ability to fund and execute its business plan.

2. The Company's businesses could suffer from a long and protracted restructuring.

The Company's future results are dependent upon the successful confirmation and implementation of a plan of reorganization. Failure to obtain this approval in a timely manner could adversely affect its operating results, as its ability to obtain financing to fund operations may be harmed by protracted bankruptcy proceedings. If a liquidation or protracted reorganization were to occur, there is a significant risk that the value of the Company's enterprise would be substantially eroded to the detriment of all stakeholders.

Furthermore, the Company cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even once a plan of reorganization is approved and implemented, the Company's operating results may be adversely affected by the possible reluctance of prospective lenders, customers, or vendors to do business with a company that recently emerged from bankruptcy proceedings.

G. Classification and Treatment of Claims and Interests

Bankruptcy Code section 1122 requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek (i) to modify the Plan to provide for whatever classification might be required for confirmation and (ii) to use the acceptances received from any Creditor pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such Creditor ultimately is deemed to be a member. Any such reclassification of Creditors, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such Creditor was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan of any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder regardless of the

Class as to which such Holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, they would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the Claim of any Creditor or equity holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan.

Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

H. Conditions Precedent to Consummation of the Plan

The Plan provides for certain conditions that must be satisfied (or waived) prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

I. Liquidation Under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and the Debtors' Liquidation Analysis is described herein and attached hereto as Exhibit C.

ARTICLE IX.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES²²²⁵

The following discussion summarizes certain anticipated U.S. federal income tax consequences of the Plan to the Debtors and certain U.S. Holders (as defined below) of Claims that are entitled to vote to accept or reject the Plan. This discussion is provided for

²²²⁵ The Debtors are still conducting analysis on U.S. federal income tax planning and consequences.

information purposes only and is based on the Internal Revenue Code of 1986, as amended (the “Tax Code”), the U.S. Treasury Regulations promulgated thereunder (the “Treasury Regulations”), judicial authorities, and published administrative rules, rulings, and pronouncements of the U.S. Internal Revenue Service (the “IRS”), all as in effect as of the date hereof, and all of which are subject to change or differing interpretations, possibly with retroactive effect.

For purposes of this discussion, the term “U.S. Holder” means a Holder of a Claim or that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States; (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes; or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

This discussion addresses only those U.S. Holders that hold Claims as capital assets within the meaning of the Tax Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of its particular facts and circumstances, or to certain types of U.S. Holders subject to special treatment under the Tax Code (for example, non-U.S. taxpayers, governmental entities and entities exercising governmental authority, banks and certain other financial institutions, broker-dealers, insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, small business investment companies, subchapter S corporations, persons holding a Claim as part of a hedge, straddle, constructive sale, conversion transaction, or other integrated transaction, U.S. Holders that are, or hold their Claims through, a partnership or other pass-through entity, persons that have a functional currency other than the U.S. dollar, dealers in securities or foreign currencies, employees of the Debtors, and persons who received their claims pursuant to the exercise of an employee stock option or otherwise as compensation). This discussion does not address any aspects of state, local, non-U.S. taxation, or U.S. federal taxation other than income taxation. Additionally, this discussion does not address the U.S. federal income tax consequences to U.S. Holders that are unimpaired under the Plan or U.S. Holders that are not entitled to receive or retain any property under the Plan.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Claims, the U.S. federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A partnership considering participating in the Plan should consult its tax advisor regarding the consequences to the partnership and its partners of the Plan.

This discussion assumes that the various debt and other arrangements to which any Debtor is a party will be respected for U.S. federal income tax purposes in accordance with their form.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of a final distribution under the Plan. Events occurring after the date of this Disclosure Statement, such as additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No ruling has been or will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtors with respect thereto. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any U.S. Holder. This discussion is not binding upon the IRS or other taxing authorities. No assurance can be given that the IRS or another authority would not assert, or that a court would not sustain, a different position from any discussed herein. Accordingly, each U.S. Holder is strongly urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. tax consequences of the Plan to such U.S. Holder.

A. U.S. Federal Income Tax Consequences to the Debtors

Peregrine Midstream and Ryckman are each currently treated as partnerships for U.S. federal income tax purposes. Each of Rocky Mountains and Holdings is treated as an entity disregarded as separate from its parent for U.S. federal income tax purposes. Accordingly, as described further below, the U.S. federal income tax consequences of the Plan will generally not be borne by the Debtors, but will be borne by the partners of Peregrine Midstream or Ryckman. As a result of the Plan, Peregrine Midstream and Rocky Mountains are expected to dissolve, and no U.S. federal income tax consequences are expected upon the consummation of the dissolution of Rocky Mountains or Peregrine Midstream. In addition, as a result of the transactions contemplated by the Plan, Reorganized Holdings will be treated as a partnership for U.S. federal income tax purposes.

The cancellation of equity interests in Peregrine Midstream and the issuance of equity interests in Reorganized Holdings may result in lower depreciation and amortization deductions available to offset future taxable income. Cancellation of equity interests in Ryckman, and the issuance of equity interests in Reorganized Ryckman solely to Reorganized Holdings, is intended to result in Reorganized Ryckman becoming an entity disregarded from its parent for U.S. federal income tax purposes, and Reorganized Holdings is not expected to recognize gain or loss on such a cancellation and issuance.

As a result of the consummation of the transactions contemplated by the Plan, the Debtors may realize substantial cancellation of indebtedness income (“CODI”), which would be allocated to its partners. Additionally, if a partnership such as Ryckman or Peregrine Midstream transfers assets in respect of its debt or equity interests as part of the Plan, such a transfer may trigger gain or loss that will be allocated to the holders of equity interests in the partnership.

In general, absent an exception, a taxpayer will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such

indebtedness. CODI is taxable as ordinary income. The amount of CODI, in general, is the excess of (i) the adjusted issue price of the indebtedness discharged, over (ii) the sum of (x) the issue price of any new indebtedness of the taxpayer issued, (y) the amount of cash paid, and (z) the fair market value of any other consideration given in exchange for such indebtedness at the time of the exchange (e.g., new equity interests). Where the debtor is a partnership for U.S. federal income tax purposes, such as Ryckman and Peregrine Midstream, such CODI is allocated to its partners, and the partners (rather than the partnership) are subject to tax on such amount.

There are exceptions to the recognition of CODI. For example, a taxpayer is not required to include CODI in gross income if either the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that case, or the taxpayer is insolvent, as specifically defined under the Tax Code, at the time the CODI is triggered. In the case of any entity taxed as a partnership, such as Ryckman and Peregrine Midstream, any exception to the recognition of CODI is applied at the partner level rather than at the entity level. U.S. Holders are urged to consult their tax advisors as to the particular tax consequences to them of the allocation of such CODI, including the ability to offset any such CODI with available losses, if any, and whether or not they may avail themselves of any exception to the recognition of CODI.

B. U.S. Federal Income Tax Consequences to U.S. Holders

1. Consequences to U.S. Holders of Class 3 Claims

Pursuant to the Plan, each U.S. Holder of a Class 3 Prepetition Credit Agreement Secured Claim will receive on account of such Class 3 Claim (i) New Notes and/or (ii) New Holdings Equity, depending on the Subclass of the Class 3 Claim.

A U.S. Holder of a Claim in Subclasses 3-A through 3-F will receive New Notes in exchange for such Claim pursuant to the Plan, and may recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (i) the issue price of the U.S. Holder's New Notes and (ii) the U.S. Holder's adjusted tax basis in the portion of the Claim exchanged therefor. Such gain or loss should be capital in nature (subject to the "accrued interest" and "market discount" rules described below) and should be long-term capital gain or loss if the Claim was held for more than one year by the U.S. Holder.

A U.S. Holder's tax basis in its New Notes received on the Effective Date should generally equal the stated issue price. A U.S. Holder's holding period for its New Notes should begin on the day following the Effective Date.

The issue price of the New Notes will depend on whether a substantial amount of either the New Notes or the Claims for which they are exchanged is considered to be "traded on an established market." In general, a debt instrument will be treated as traded on an established market if, at any time during the 31-day period ending 15 days after the issue date, (i) a "sales price" for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt

instruments, or persons that broker purchases or sales of debt instruments; (ii) a “firm” price quote for the debt instrument is available from at least one broker, dealer, or pricing service for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; or (iii) there are one or more “indicative” quotes available from at least one broker, dealer, or pricing service for property. Notwithstanding the preceding rules, a debt instrument will not be treated as traded on an established market if, at the time the determination of the issue price is made, the outstanding stated principal amount of the issue that includes the debt instrument does not exceed \$100 million.

A U.S. Holder of a Claim in Subclasses 3-G through 3-J will receive New Holdings Equity in exchange for such Claim pursuant to the Plan, and generally should not recognize any gain or loss (except to the extent such interests are received with respect to accrued but unpaid interest).

A U.S. Holder of multiple Class 3 Claims that receives both New Notes and New Holdings Equity in exchange for its Claim pursuant to the Plan (i) generally should not recognize any gain or loss on the portion of its Claim for which it receives equity interests in New Holdings Equity (except to the extent such interests are received with respect to accrued but unpaid interest) and (ii) may recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (a) the issue price of the U.S. Holder’s New Notes and (b) the U.S. Holder’s adjusted tax basis in the portion of the Claim exchanged therefor. Such gain or loss should be capital in nature (subject to the “accrued interest” and “market discount” rules described below) and should be long-term capital gain or loss if the Claim was held for more than one year by the U.S. Holder.

Since Reorganized Holdings is expected to be taxed as a partnership for U.S. federal income tax purposes, items of income, gain, loss and deduction of Reorganized Holdings will be allocated to the holders of equity interests in Reorganized Holdings and such holders will take such items into account whether or not Reorganized Holdings makes any distributions to its partners. The resulting tax liability of a partner in respect of such income may exceed the cash that such partner receives from Reorganized Holdings. In addition, tax-exempt and non-U.S. persons may be subject to certain adverse tax consequences from owning and disposing of an equity interest in Reorganized Holdings. Each holder of equity interests in Reorganized Holdings is urged to consult its tax advisor regarding the tax consequences of owning and disposing of equity interests in a partnership. Additionally, Reorganized Holdings is expected to be treated as regularly engaged in a U.S. trade or business, and as a result, ownership of equity interests in Reorganized Holdings may not be appropriate for non-U.S. holders and tax-exempt organizations.

A U.S. Holder’s tax basis in its equity interests in Reorganized Holdings initially will be equal to the tax basis of the Claims exchanged therefor, increased by any accrued interest recognized by such U.S. Holder as a result of having received such equity interests. A U.S. Holder’s tax basis generally will be (i) increased by the U.S. Holder’s share of (a) Reorganized Holdings income, and (b) any increases in such U.S. Holder’s share of Reorganized Holdings liabilities, and (ii) decreased, but not below zero, by the amount of (a)

all distributions to the U.S. Holder from Reorganized Holdings, (b) the U.S. Holder's share of Reorganized Holdings losses, and (c) any decreases in the U.S. Holder's share of Reorganized Holdings liabilities.

2. Consequences to U.S. Holders of Class 4 Claims

Pursuant to the Plan, each U.S. Holder of a Class 4 Prepetition Credit Agreement Deficiency Claim shall receive on account of such Holder's Class 4 Claim its Pro Rata share (together with Allowed Class 5 Claims) of the proceeds of the Unencumbered Assets.²³²⁶ Such U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the cash received and (ii) such U.S. Holder's tax basis in the Claim exchanged therefor. Such gain or loss will constitute long-term capital gain or loss if the U.S. Holder of the Claim held such Claim for longer than one year or short-term capital gain or loss if the U.S. Holder of the Claim held such Claim for less than one year. Long-term capital gains of non-corporate holders are taxed at preferential rates, and capital losses are subject to limitations on deductibility. A portion of the proceeds from the sale of the Unencumbered Assets that is received by U.S. Holders of Class 4 Prepetition Credit Agreement Deficiency Claims in taxable years following the year of the sale of the assets may be recharacterized as deemed interest payments. Such deemed interest would be treated as interest income taxable at ordinary income rates.

3. Consequences to U.S. Holders of Class 5 Claims

Pursuant to the Plan, each U.S. Holder of a Class 5 General Unsecured Claim shall receive on account of such Holder's Class 5 Claim (i) in the event that Class 5 Votes as a Class to accept the Plan, Contingent Value Rights or (ii) in the event that Class 5 Votes as a Class to reject the Plan, its Pro Rata share (together with Allowed Class 4 Claims) of the proceeds of the Unencumbered Assets. A U.S. Holder that receives proceeds of the Unencumbered Assets will recognize gain or loss in an amount equal to the difference between (i) the cash received and (ii) such U.S. Holder's tax basis in the Claim exchanged therefor. Such Holders would be subject to the same tax consequences as recipients of the proceeds of the Unencumbered Assets described in Article IX.B.2. [For U.S. Holders that receive Contingent Value Rights, we expect that such rights will be treated as equity interests in Reorganized Holdings, and if so, such Holders would be subject to the same tax consequences as Holders of Interests in Reorganized Holdings, described in Article IX.B.1.]

4. Market Discount

The market discount provisions of the Tax Code may apply to U.S. Holders of Claims. Generally, if a U.S. Holder purchased the Claim at a price less than such Claim's principal

²³²⁶ In the event that Class 5 Votes as a Class to accept the Plan, however, Holders of Class 4 Claims shall waive any recovery on account of their Class 4 Claims.

amount, the difference would constitute “market discount” for federal income tax purposes. In general, a debt obligation other than a debt obligation with a fixed maturity of one year or less that is acquired by a holder in the secondary market (or, in certain circumstances, upon original issuance) is a “market discount bond” as to that holder if its stated redemption price at maturity (or, in the case of a debt obligation having original issue discount, the revised issue price) exceeds the adjusted tax basis of the bond in the holder’s hands immediately after its acquisition. However, a debt obligation will not be a “market discount bond” if such excess is less than a statutory de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the Claim, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity). Any gain recognized by such U.S. Holder on the receipt of cash in respect of its Claim would be treated as ordinary income to the extent of such accrued but unrecognized market discount. In addition, if accrued market discount is not recognized upon the receipt of equity interests in Reorganized Holdings, gain recognized upon a subsequent disposition of such equity interests may be treated as ordinary income to the extent of the accrued market discount not previously recognized.

5. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan comprises indebtedness and accrued but unpaid interest thereon, the Debtors intend to take the position that, for income tax purposes, such distribution shall be allocated to the principal amount of the Allowed Claim first and then, to the extent the consideration exceeds the principal amount of the Allowed Claim, to the portion of such Allowed Claim representing accrued but unpaid interest. No assurances can be made in this regard. If, contrary to the Debtors’ intended position, such a distribution were treated as being allocated first to accrued but unpaid interest, a U.S. Holder of such an Allowed Claim would realize ordinary income with respect to the distribution in an amount equal to the accrued but unpaid interest not already taken into income under the U.S. Holder’s method of accounting, regardless of whether the U.S. Holder otherwise realized a loss as a result of the Plan. Conversely, a U.S. Holder generally would recognize a deductible loss to the extent that any accrued interest was previously included in its gross income and was not paid in full. To the extent that any portion of the distribution is treated as interest, U.S. Holders may be required to provide certain tax information in order to avoid the withholding of taxes.

C. Information Reporting and Backstop Withholding

Payments with respect to Claims pursuant to the Plan and gains on a future disposition of equity interests in Reorganized Holdings may be subject to information reporting to the IRS and backup withholding at the applicable rate. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder’s U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated,

including, among other types of transactions, certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds. Each U.S. Holder is strongly urged to consult its tax advisor regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the U.S. Holder's tax returns.

D. Importance of Obtaining Professional Tax Advice

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND DOES NOT CONSTITUTE TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE UNITED STATES FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN.

ARTICLE X.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the Plan affords Holders of Claims and Interests the potential for the greatest realization on the Debtors' assets and, therefore, is in the best interests of such Holders. If the Plan is not confirmed, however, the theoretical alternatives include: (i) continuation of the pending Chapter 11 Cases; (ii) sale of the Debtors' assets under Bankruptcy Code section 363; (iii) alternative plan or plans of reorganization; or (iv) liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Continuation of the Bankruptcy Cases

If the Debtors remain in chapter 11, they could continue to operate their business and manage their properties as debtors in possession, but they would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors could survive as a going concern in protracted chapter 11 cases. In particular, the Debtors could have difficulty gaining access to sufficient liquidity to allow them to continue their operations as a going concern. Moreover, protracted chapter 11 proceedings will make it difficult for the Debtors to expand their customer base, which is critical to the ultimate success of the Debtors' business. As further discussed herein, the Debtors believe that they have accomplished the goals that chapter 11 has allowed them to achieve, and that the Company's key remaining challenges are operational and therefore do not require that the Company remain in chapter 11.

B. Sale of Substantially all of the Debtors' Assets Under Bankruptcy Code Section 363

In lieu of the present Plan, the Debtors could sell substantially all of their assets to a buyer under Bankruptcy Code section 363. A section 363 sale would leave a residual estate

consisting of the proceeds of the sale and any excluded assets and unassumed liabilities. Following the sale, the Debtors would remain in chapter 11 to administer this residual estate and distribute proceeds to Creditors pursuant to a chapter 11 plan of liquidation or a liquidation pursuant to chapter 7 of the Bankruptcy Code.

The Debtors believe that the Plan represents a superior structure than a sale under Bankruptcy Code section 363. The Debtors believe the Plan provides recoveries equal to or greater than what Creditors would likely achieve in a section 363 sale, but with the advantages of greater efficiency and greater certainty as to outcome. In particular, an asset sale at this point in the Debtors' operations would likely result in a fairly low value, while the Plan accounts for and enables Creditors to share in the potentially materially greater future value of the Debtors. While the Debtors believe that a section 363 sale remains a viable restructuring option in the event the Plan is not confirmed, the Debtors maintain that the Plan is, for the reasons set forth above, in the best interests of Creditors.

C. Alternative Plans of Reorganization

If the Plan is not confirmed, the Debtors, or, after the expiration of the Debtors' exclusive period in which to propose and solicit a reorganization plan, any other party in interest in the Chapter 11 Cases, could propose a different plan or plans. Additionally, until the Plan is consummated, subject to certain conditions, the Debtors may determine to withdraw the Plan and propose and solicit different reorganization plans. Any such plans proposed by the Debtors or others might involve either a reorganization and continuation of the Debtors' businesses, or an orderly liquidation of its assets, or a combination of both.

Although alternative plans of reorganization are possible, the present Plan is the result of a thorough assessment of restructuring alternatives undertaken in consultation with key stakeholders. Accordingly, the Debtors believe the prospect of an alternative plan of reorganization that delivers greater value to economic stakeholders is remote.

D. Liquidation Under Chapter 7 or Chapter 11

If no plan is confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In chapter 7 cases, a trustee or trustees would be appointed to liquidate the assets of the Debtors. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective Holders of Claims or Interests.

However, the Debtors believe that Creditors would lose the materially higher going concern value if the Debtors were forced to liquidate. In addition, the Debtors believe that in liquidation under chapter 7, before Creditors received any distribution, additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants, and other professionals to assist such trustees would cause a substantial diminution in the value of the Estate. The assets available for distribution to Creditors would be reduced by such additional expenses and by claims, some of which would be entitled to priority, which would arise by reason of the liquidation and from the rejection of leases and

other executory contracts in connection with the cessation of operations and the failure to realize the greater going concern value of the Debtors' assets.

The Debtors may also be liquidated under a chapter 11 plan. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation might result in larger recoveries than a chapter 7 liquidation, but the delay in distributions could result in lower present values received and higher administrative costs. Because a trustee is not required in a chapter 11 case, expenses for professional fees could be lower than in a chapter 7 case, in which a trustee must be appointed. However, any distribution to the Holders of Claims or Interests under a chapter 11 liquidation plan probably would be delayed substantially. In addition, as with a chapter 7 liquidation, the Debtors believe that Creditors would lose the materially higher going concern value if the Debtors were forced to liquidate under a chapter 11 plan.

The Liquidation Analysis attached hereto as Exhibit C illustrates the recoveries the Debtors anticipate in a liquidation scenario. The Liquidation Analysis is premised upon a hypothetical liquidation in a chapter 7 case. In the Liquidation Analysis, the Debtors have taken into account the nature, status, and underlying value of their assets, the ultimate realizable value of their assets, and the extent to which such assets are subject to liens and security interests. The likely form of any liquidation in a chapter 7 proceeding would be the sale of individual assets. Based on this analysis, it is likely that a chapter 7 liquidation of the Debtor's assets would produce less value for distribution to each class of Creditors than that recoverable under the Plan. In the Debtors' opinion, the recoveries projected to be available in a chapter 7 liquidation are not likely to afford Holders of Claims and Interests as great a realization potential as does the Plan.

ARTICLE XI.

PLAN SUPPLEMENT

Exhibits to the Plan not attached hereto shall be filed in one or more Plan Supplements. Any Plan Supplement (and amendments thereto) filed by the Debtors shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth therein. The Plan Supplements may be viewed at the office of the clerk of the Court or its designee during normal business hours, by visiting the Court's website at www.deb.uscourts.gov (PACER account required) or at the Claims Agent website <http://www.kccellc.net/ryckman>, or by written request to the Claims Agent at:

Kurtzman Carson Consultants LLC
Re: Ryckman Creek Resources, LLC, et al.
2335 Alaska Avenue
El Segundo, California 90245
Attn: Voting Department
Email: RyckmanInfo@kccellc.com
Telephone: (877) 634-7178

The documents contained in any Plan Supplements shall be subject to approval by the Bankruptcy Court pursuant to the Confirmation Order.

ARTICLE XII.

RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Debtors recommend the Plan because it provides for greater distributions to the Holders of Claims and Interests than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation could result in extensive delays and increased administrative expenses resulting in smaller distributions to the Holders of Claims. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Plan support Confirmation and vote to accept the Plan.

Dated: Houston, Texas
~~April 11~~June 8, 2016

Respectfully submitted,

Ryckman Creek Resources, LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Ryckman Creek Resources Holding Company LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Rocky Mountains LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

Peregrine Midstream Partners LLC

/s/ Thomas B. Osmun

Name: Thomas B. Osmun

Title: Chief Restructuring Officer

/s/ Sarah E. Pierce

Sarah E. Pierce (I.D. No. 4648)

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Counsel for Debtors and Debtors in Possession

EXHIBIT A

**Joint Chapter 11 Plan of Reorganization of Ryckman Creek Resources, LLC and its
Affiliated Debtors and Debtors in Possession**

EXHIBIT B

Financial Projections



DEBTORS' PRO FORMA BALANCE SHEET AND LIQUIDITY PROJECTIONS

A. Introduction

The Debtors have prepared (1) a pro forma balance sheet (the "Pro Forma Balance Sheet") reflecting estimated reorganization adjustments and the transfer of assets to the Reorganized Debtors and (2) a financial projection (the "Financial Projection") for the 5 months ending December 31, 2016 and the fiscal years ending December 31, 2016 through December 31, 2020 (the "Projection Period" and the Pro Forma Balance Sheet and the Liquidity Projection, together, the "Projections"). The Projections were completed during May 2016 and were prepared on a consolidated basis consistent with the Debtors' financial reporting practices. These Projections have not been reviewed by an independent auditor. The Projections also do not include the impact of the application of "fresh-start accounting" as required by FASB ASC 852 "Reorganizations".

The Debtors have prepared the Projections to assist the Bankruptcy Court in determining whether the Plan meets the "feasibility" requirements of Bankruptcy Code section 1129(a) (11). The Debtors believe that the Plan meets such requirements. In connection with the negotiation and development of the Plan, and for the purpose of determining whether the Plan meets the feasibility standard outlined in the Bankruptcy Code, the Debtors analyzed their ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources during the Projection Period. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in either the Disclosure Statement or the Plan, as applicable.

The Projections assume the Plan will be implemented in accordance with its stated terms and include, to the best of the Debtors' knowledge and belief, assumptions and judgments based on an estimated Effective Date of on or about August 5, 2016 (the "Assumed Effective Date"). Although the Debtors are of the opinion that these assumptions are reasonable under current circumstances, such assumptions are subject to inherent uncertainties, including but not limited to, material changes in the economic and competitive environment, ability to attract and retain key talent, wage rates, technology-related and other costs, commodity prices for crude oil and natural gas, the forward curves of such commodities, and other factors affecting the Reorganized Debtors' business. The Projections should be read in conjunction with the assumptions and qualifications contained herein. The likelihood of a change in any of the factors, assumptions, and judgments underlying these Projections, and related financial impact, cannot be predicted with certainty. Consequently, actual financial results could differ materially from the Projections.

The Debtors do not, as a matter of course, publish their projections, strategies, or forward-looking projections of their financial position, results of operations, and cash flows. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated projections to the Holders of Claims or Interests after the date of this Disclosure Statement Exhibit or to otherwise make such information public. The assumptions disclosed herein are those that the Debtors believe to be significant to the Projections and are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“GAAP”) IN THE UNITED STATES. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM.

THE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES THAT ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, OR ANY OTHER PERSON, AS TO THE ACCURACY OF THE PROJECTIONS OR THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

B. Pro Forma Balance Sheet

The Debtors considered factors which may impact the Reorganized Debtors’ balance sheet upon emergence from Chapter 11 and applied these factors to the Debtors’ most recent balance sheet dated April 30, 2016. These adjustments have yielded a Pro Forma Balance Sheet which takes into account these estimates and assumptions.

The adjustments in the consolidated Pro Forma Balance Sheet are based on estimates available to the Debtors at the time this analysis was prepared and are unaudited. Actual adjustments will be based on the determined value on the Assumed Effective Date and may be materially different than those presented herein. No independent analysis on potential tax consequences

of these proposed transactions has been performed, and thus could materially impact the results of the analysis presented below.

The Plan will be effectuated through a series of transactions on the Assumed Effective Date. Those emergence transactions are:

- A. The Debtors will have access to the Exit Facility in the amount of up to \$35,000,000. On the Assumed Effective Date, it is assumed that the Debtors will initially draw \$27,000,000. Concurrent with this initial draw, any fees associated with the Exit Facility will be paid out of proceeds of the initial draw. As of April 30, 2016, the Debtors had a cash balance of approximately \$768,884 and forecast a cash balance of \$1,000,000 on the Assumed Effective Date.
- B. It is projected that as of the Assumed Effective Date there will be approximately \$3,500,000 in accrued and unpaid professional fees. These fees will be funded into an escrow account, and will be reflected as a pre-paid asset. These professional fees will be remitted to various Professionals in accordance with the Plan.
- C. The Debtors currently have an asset on their balance sheet of approximately \$8,086,570 related to costs associated with the Prepetition Credit Facility. It is assumed that these costs are written off as part of the restructuring process.
- D. Based upon the Debtors' Schedules and Proofs of Claim received to date, the Debtors estimate that approximately \$63,000,000 of trade debt will be restructured as part of the Plan. The Holders of these Claims will either receive Contingent Value Rights or their Pro Rata share of the Debtors' Unencumbered Assets along with the Prepetition Credit Agreement Deficiency Claims as part of the Plan. The balance of the accounts payable is estimated to be approximately \$2,814,777, relating to postpetition accounts payable and accrued liabilities and approximately \$2,000,000 relating to pre-petition intercompany claims. The pre-petition intercompany claims will be extinguished as part of the Plan.
- E. Approximately \$36,572,000 in accrued and unpaid interest due on the Debtors' Prepetition Credit Facility as of the Assumed Effective Date will be spread across the new capital structure as set forth in the Plan. As of April 30, 2016 the Debtors had approximately \$30,410,000 in accrued and unpaid interest as it relates to the Prepetition Credit Facility. The April 30, 2016 balances have been updated to reflect the estimated accrued interest outstanding as of August 5, 2016.
- F. The Debtors anticipate that as of the Assumed Effective Date, the balance on the DIP Facility will be approximately \$22,500,000 plus any accrued and outstanding interest. This balance will be converted into the Exit Facility pursuant to the terms of the Plan. As of April 30, 2016, the Debtors' outstanding balance on the DIP Facility was \$6,750,000. The April 30, 2016 balance has been updated to reflect the projected borrowings as of the Assumed Effective Date.

G. As outlined in the Plan, the existing Prepetition Credit Agreement Secured Claims will be converted to either Senior New Notes, Junior New Notes, or Hybrid New Notes depending upon the classification of such Claim. The treatment of these Claims is outlined in the Plan as well as summarized in these Projections. The New Notes issued to satisfy these Claims total approximately \$160,878,665,. The balance of the Prepetition Credit Agreement Secured Claims, including Hedging Agreement Claims, to the extent secured, will convert to equity as outlined in the Plan

H. No adjustment has been made to these Projection as it pertains to potential tax liabilities or “fresh-start accounting” as required by FASB ASC 852 “Reorganizations.” Any potential “fresh-start accounting” adjustments or tax impacts may impact the equity balances set forth in these projections.

The summary Pro Forma Balance Sheet is included as Schedule 1.

C. Financial Projections

To fund the operations and future potential expansion of the Reorganized Debtors’ natural gas storage facility, these Projections assume that the Reorganized Debtors will rely on operational cash flows as well as the Exit Facility. During the balance of 2016, the Debtors project that they will borrow an additional \$6,000,000 under the Exit Facility; however, beginning in 2018, internally generated cash flow will provide liquidity sufficient to begin repaying the borrowings. The Debtors believe their existing contracted customer base, combined with market demand provides a reliable and steady revenue base with which these projections were created. The Debtors have reviewed their cost structure and forecasted expected operating and administrative costs consistent with the operations of a natural gas storage facility of this size.

To fund potential expansion of the facility, the Debtors anticipate spending approximately \$2,000,000 in each of 2019 and 2020 to expand the working gas capacity of the facility and exploit potential additional liquid hydrocarbon production. These capital expenditures will be funded with operating cash flows. Schedule 2 includes the Financial Projection that demonstrates that the Debtors anticipate having sufficient liquidity during the Projection Period to satisfy all obligations that come due during the Projection Period. The Debtors and their post-petition lenders continue to negotiate the terms of the Senior New Notes and the Junior New Notes and have used estimated interest rates on such facilities to provide a reasonable estimate of cash flows.

SCHEDULE 1 - PRO FORMA EMERGENCE B/S	Consolidated Totals		Reorganization	Notes	Pro Forma
	(Unaudited)		Adjustments		(Unaudited)
			(Unaudited)		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$	768,884	\$	231,116	[A] \$ 1,000,000
Accounts receivable		3,045,209		-	3,045,209
Accounts receivable - related parties		2,663		-	2,663
Prepays and other		300,000		3,500,000	[B] 3,800,000
Gas inventory		3,366,506		-	3,366,506
TOTAL CURRENT ASSETS		7,483,262		3,731,116	11,214,378
PROPERTY AND EQUIPMENT					
Gas storage facilities		340,479,108		-	340,479,108
Furniture, fixtures and equipment		1,864,116		-	1,864,116
		342,343,224			342,343,224
Less: accumulated depreciation		(20,404,380)		-	(20,404,380)
		321,938,844		-	321,938,844
Construction-in-progress		1,312,846		-	1,312,846
NET PROPERTY AND EQUIPMENT		323,251,690		-	323,251,690
DEBT ISSUE COSTS, net		8,086,570		(8,086,570)	[C] -
RESTRICTED CASH		1,152,000		-	1,152,000
TOTAL ASSETS	\$	339,973,522	\$	(4,355,454)	\$ 335,618,068
LIABILITIES AND MEMBERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$	70,204,895	\$	(67,390,118)	[D] \$ 2,814,777
Tranche A - Secondary - interest		325,451		(325,451)	[E] -
Tranche B - Tertiary - interest		1,627,256		(1,627,256)	[E] -
Tranche B - Secondary - interest		1,738,512		(1,738,512)	[E] -
Tranche A - Initial - interest		7,187,445		(7,187,445)	[E] -
Tranche B - Initial - interest		7,925,808		(7,925,808)	[E] -
Term Loan - interest		17,767,717		(17,767,717)	[E] -
Due to parent		-		-	-
TOTAL CURRENT LIABILITIES		106,777,085		(103,962,307)	2,814,777
LONG TERM DEBT					
Debtor-In-Possession Financing		22,500,000		(22,500,000)	[F] -
Exit Facility Borrowings		-		27,000,000	[F] 27,000,000
Tranche A - Secondary		5,000,000		(5,000,000)	[G] -
Tranche B - Tertiary		25,000,000		(25,000,000)	[G] -
Tranche B - Secondary		15,000,000		(15,000,000)	[G] -
Tranche A - Initial		50,000,000		(50,000,000)	[G] -
Tranche B - Initial		55,000,000		(55,000,000)	[G] -
Senior New Notes		-		68,188,752	[G] 68,188,752
Junior New Notes		-		37,689,913	[G] 37,689,913
Hybrid New Notes		-		55,000,000	[G] 55,000,000
Term Loan		160,000,000		(160,000,000)	[G] -
TOTAL LONG TERM DEBT		332,500,000		(144,621,335)	187,878,665
DERIVATIVE INSTRUMENTS LIABILITY		1,518,763		(1,518,763)	[G] -
TOTAL LIABILITIES		440,795,848		(250,102,405)	190,693,442
MEMBERS' EQUITY					
Preferred Units		-		185,693,525	[H] 185,693,525
Common Units		-		-	-
Other Members' Equity		(100,822,326)		60,053,427	[H] (40,768,899)
Contingent Value Rights		-		-	-
TOTAL MEMBERS EQUITY		6 (100,822,326)		245,746,951	144,924,626
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	339,973,522	\$	(4,355,454)	\$ 335,618,068

SCHEDULE 2 - FINANCIAL PROJECTIONS	Aug-Dec				
\$ 000's	2016	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
Total Revenue	\$ 8,665	\$ 41,144	\$ 48,660	\$ 58,861	\$ 54,785
Total Cost of Sales	(6,965)	(19,442)	(13,817)	(19,817)	(13,817)
Total SG&A Costs	(2,810)	(6,016)	(6,088)	(6,088)	(6,088)
EBITDA	(1,110)	15,686	28,754	32,956	34,879
Less: Maintenance Capital Expenditures	(500)	(1,000)	(1,500)	(1,500)	(1,500)
Less: Growth Capital Expenditures	-	-	-	(2,000)	(2,000)
Less: Interest Expense (Exit Facility)	(528)	(1,293)	(938)	(456)	(102)
Less: Interest Expense (Senior New Notes)	(1,440)	(3,457)	(3,457)	(3,457)	(3,466)
Less: Interest Expense (Junior New Notes)	(1,591)	(3,821)	(3,821)	(3,821)	(3,832)
Less: Principal Amortization (Senior New Notes)	-	-	-	-	-
Exit Facility Borrowings (Repayments)	6,000	(3,000)	(15,000)	(15,000)	-
Estimated Cash Flow	\$ 831	\$ 3,115	\$ 4,038	\$ 6,722	\$ 23,980
Exit Facility Availability	2,000	5,000	20,000	35,000	35,000

EXHIBIT C

Liquidation Analysis



Ryckman Creek Resources, LLC, et al.
Liquidation Analysis / Best Interests of Creditors Test

Introduction

Pursuant to Bankruptcy Code section 1129(a)(7), often called the “best interests of creditors test,” holders of allowed, impaired claims must either (a) accept a plan of reorganization, or (b) receive or retain under the plan on account of such claim, property of a value, as of a plan’s effective date, that is not less than the value such holder would receive or retain if the debtors liquidated under chapter 7 of the Bankruptcy Code. As demonstrated in this liquidation analysis (the “Liquidation Analysis”), the Debtors believe that the Plan meets the “best interests of creditors test” as set forth in Bankruptcy Code section 1129(a)(7). All capitalized terms not defined in the Liquidation Analysis have the meanings ascribed to them in the Plan and/or the Disclosure Statement.

The Debtors believe that Holders of Allowed Claims in each Impaired Class will receive at least as much under the Plan as they would if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Liquidation Analysis reflects the estimated Cash proceeds, net of liquidation-related costs, which are projected to be realized if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code.

General Liquidation Analysis Assumptions

Underlying the Liquidation Analysis are numerous estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by the Debtors’ management and advisors, are inherently subject to significant business, economic, regulatory, and competitive uncertainties, and contingencies beyond the control of the Debtors, their management, and their advisors. The Liquidation Analysis is also based on the Debtors’ best judgment of how numerous decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation, and actual results could materially differ from the results herein. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. Any balances reflected herein are unaudited and presented as such.

The Liquidation Analysis is based on Ryckman Creek Resources, LLC’s consolidated balance sheet as of May 31, 2016 except where otherwise noted. The Liquidation Analysis assumes the Chapter 11 Cases are converted to chapter 7 on August 5, 2016, and the Bankruptcy Court appoints a chapter 7 trustee (the “Chapter 7 Trustee”), who promptly commences a chapter 7 liquidation. For the purposes of this liquidation analysis it is assumed that the Chapter 7 Trustee would substantively consolidate all of the Debtors’ operations on the commencement of a liquidating scenario. **If the Debtors liquidated under chapter 7 of the Bankruptcy Code, but were not substantively consolidated for liquidation purposes, results of such a liquidation may be materially different than the results illustrated**

herein as to certain Creditors. The Debtors reserve all rights as to any potential substantive consolidation that may or may not be proposed in these cases.¹

It is assumed that the operations of the Debtors would continue for a six to eight week period during the liquidation under the direction of the Chapter 7 Trustee. During this time all of the Debtors' major assets (consisting primarily of the Ryckman Creek Facility – the Debtors' natural gas storage facility in Wyoming) would be sold or conveyed, and the Cash proceeds, net of liquidation related costs, would then be distributed to the Creditors in accordance with Bankruptcy Code section 726. This six to eight week assumption is primarily based on the anticipated speed with which the Chapter 7 Trustee would need to sell and liquidate the assets of the business before critical resources dissipate along with finite Cash available to the Chapter 7 Trustee. These critical resources include, but are not limited to, continued supply and credit support from vendors in connection with the Ryckman Creek Facility and retention of key employees at the facility. It is assumed that the Houston, Texas office lease would not be retained and, relatedly, the majority of the corporate employees would be released immediately, with the exception of key staff to facilitate accounting and gas dispatch operations. In an actual liquidation, the wind-down process and time period(s) could vary, thereby impacting recoveries. For example, there is the potential that the sale of the assets would extend beyond the six to eight week sale process; however, during this extended period of liquidation, the value of the business would further deteriorate to the point where the value of the assets of the estate are discounted even further by potential acquirers, which would further reduce recoveries for all Creditors. Following the sale of the assets, the Liquidation Analysis assumes the Chapter 7 Trustee would wind-down the estates in a timely manner.

To maximize recoveries to all Creditors, and given the unique nature of this asset, the Debtors have assumed that the facility could be sold as a going concern by the Chapter 7 Trustee. In the event that the facility could not be sold as a going concern recoveries would likely be materially lower than shown in the Liquidation Analysis.

There can be no assurance that the actual value realized in a sale of these assets would yield the balances assumed in the Liquidation Analysis. Furthermore, the fair market value of these assets could potentially be materially different if offered for sale during the ordinary course of business.

This Liquidation Analysis assumes that proceeds would be distributed in accordance with Bankruptcy Code section 726. If the Debtors were liquidated pursuant to chapter 7, the amount of liquidation value available to Creditors would be reduced, first, by the costs of the liquidation, which includes the net operational wind-down costs, fees and expenses of the Chapter 7 Trustee, fees and expenses of other professionals retained by the Chapter 7 Trustee to assist with the liquidation, environmental remediation expenses, and other asset disposition expenses; second, by the carve out under the DIP

¹ The Debtors are currently conducting analysis of substantive consolidation and will update the Disclosure Statement and Plan prior to the Disclosure Statement Hearing.

Facility for Professional Claims for professional fees; third, by the DIP Facility Claims; fourth, by the Prepetition Credit Agreement Secured Claims; fifth, by Chapter 11 Administrative Claims; sixth, by the Priority Tax Claims and Other Priority Claims; seventh, by the claims of unsecured claimants, including any potential deficiency claims from the secured lenders under the Prepetition Credit Agreement and eighth, any remaining value would go to Holders of Interests.

The Debtors currently maintain approximately \$1.2 million in restricted Cash at First Interstate Bank in Wyoming to secure a series of reclamation and other surety bonds. Additionally, the Debtors maintain \$0.3 million at Rabobank in an account specified for a security deposit on chapter 11 post-petition utility services. It is estimated that upon conversion of these cases to a chapter 7 liquidation, that these accounts would be used to satisfy the Creditors for which the funds are securing potential obligations; thus no recovery to secured or unsecured Creditors is assumed from these funds.

This Liquidation Analysis contains an estimate of Claims that ultimately will become Allowed Claims. Estimates for various Classes of Claims are based solely upon the Debtors' Schedules and Proofs of Claims filed as of the date of this Liquidation Analysis. No order or finding has been entered by the Bankruptcy Court estimating or otherwise fixing the amount of Claims at the projected levels set forth in this Liquidation Analysis. In preparing this Liquidation Analysis, the Debtors have projected amounts of Claims that are consistent with the estimated Claims reflected in the Disclosure Statement with certain modifications. This Liquidation Analysis does not contain estimates of Rejection Damages Claims; however, Rejection Damages Claims would not materially increase the estimated amount of General Unsecured Claims. This analysis should not be construed as an admission to any potential Claim value, or potential Rejection Damages Claims. In addition, for the purposes of this Liquidation Analysis, the Debtors assumed all purported Lien claimants hold General Unsecured Claims. However, this Liquidation Analysis does not purport to adjudicate any potential Secured Claims asserted by Creditors as filed in their Proofs of Claim. To the extent that such purported Lien claimants are found to hold valid Liens, such claims would recover according to their priority as further set forth below in *Note J*.

It is assumed that the asset sale transactions would be effectuated as a sale of the ownership interests in the Debtors' various assets without regard to any tax liabilities or benefits resulting from those sales. The Liquidation Analysis assumes certain equipment will be sold at prices below their book value, potentially generating a taxable benefit to the estate. These tax impacts have not been evaluated.

No analysis of potential Causes of Action has been performed in connection with this Liquidation Analysis due to the uncertain nature of the outcome surrounding such actions. Causes of Action, including any Avoidance Actions, that are released under the Plan would not be available for recovery in a chapter 11 plan scenario. By contrast, in a chapter 7 liquidation, recoveries from such Causes of Action would be available to Creditors, however, they are not included herein because of the speculative nature of the value of any such Causes of Action. With respect to Causes of Action that are not released under the Plan, there would be no difference in the recoveries of unsecured Creditors in a chapter 11 as compared to a chapter 7.

General Approach and Results of the Liquidation Analysis

The Debtors engage in the storage of natural gas in Wyoming, while taking part in the sale of proprietary natural gas liquids. To maximize total liquidation value, this Liquidation Analysis assumes that the Debtors' operating assets are sold during a six to eight week period after the conversion to a chapter 7 bankruptcy case. The Debtors' have generated two scenarios in which to evaluate the range of potential outcomes in a Chapter 7 Liquidation, a "High-Value Scenario" and a "Low-Value Scenario."

The estimated proceeds of a hypothetical chapter 7 liquidation for all assets of the four Debtor entities were calculated based on assumptions provided herein and applied to estimated Claims values for these entities to determine recovery estimates among Creditor Classes. In addition, these recovery estimates among Creditor Classes were compared to estimated recoveries under the Plan.

As demonstrated herein, all Impaired Creditor Classes are estimated to receive less in the Liquidation Analysis than under the Plan. In both the High-Value Scenario and the Low-Value Scenario, the professional fee carve-out, and the DIP Facility Claims receive a 100% recovery. In both the High-Value Scenario and the Low-Value Scenario, the Prepetition Credit Agreement Secured Claims are Impaired, and thus all other subordinate Claims Classes, including General Unsecured Claims and Prepetition Credit Agreement Deficiency Claims, are both Impaired and receive no recovery.

As noted above, in general, it is assumed that a conversion to a chapter 7 liquidation would result in immediate actions by the Chapter 7 Trustee to sell the Debtors' assets as quickly as possible. The Chapter 7 Trustee will seek to find an immediate buyer before the business deteriorates due to loss of critical resources as key employees resign, important vendors no longer cooperate and any other business pressures emerge that will erode the value of the Debtors' assets with a conversion to a chapter 7 liquidation.

The primary asset the Debtors would liquidate in a chapter 7 liquidation is the Ryckman Creek Facility, their 50 billion cubic feet (Bcf), Federal Energy Regulatory Commission regulated, natural gas storage facility in Uinta County, Wyoming. This facility is comprised of a variety of surface and subsurface equipment, facilities, and improvements. In addition, the Debtors maintain approximately 4.1 Bcf of natural gas in the facility on their own account. Given the need to maintain required reservoir pressure to effectuate contractual deliveries at Ryckman Creek, all of the gas owned by Ryckman Creek (the "Pad Gas") would be the last gas out of the reservoir, thus, it has been assumed that in any liquidation scenario that the Pad Gas would convey to the purchaser of the facility as part of a transaction. These assets are assumed to be liquidated as quickly as possible by the Chapter 7 Trustee, which may require the Chapter 7 Trustee to accept prices below current market value. Furthermore, it is assumed that in any sale process, the regulatory permits and certificates currently held by Ryckman Creek Resources, LLC and Peregrine Midstream Partners LLC will freely transfer to a purchaser of the facility with little to no additional permitting required.

Liquidation proceeds are distributed to Creditors pursuant to the distribution priorities established under the Bankruptcy Code. For the purposes of the Liquidation Analysis, it is assumed the Claims will be satisfied in the following order:

1. Chapter 7 Administrative Claims – Chapter 7 Trustee Fees; Chapter 7 Professional Fees; environmental remediation; operational wind down costs
2. Professional Fee Claims subject to the Carve-Out²
3. DIP Facility Claims
4. Prepetition Credit Agreement Secured Claims³
5. Chapter 11 Administrative Claims
6. Priority Tax Claims and Other Priority Claims
7. General Unsecured Claims
8. Intercompany Claims
9. Holders of Interests

The estimated recovery for each of these Claims in the Liquidation Analysis is presented below:

	Unaudited Book Balances May 31, 2016	Estimated Asset Realization Percentage		Hypothetical Liquidation Values	
		Low	High	Low	High
		\$'000s Table I: Total Assets and Net Proceeds Available for Distribution			
Total Assets and Net Proceeds Available for Distribution	\$ 339,536	23%	50%	\$ 77,485	\$ 169,432

² As defined in the DIP Order.

³ For purposes of this Liquidation Analysis all of the Prepetition Credit Agreement Secured Claims are classified together as one class for illustrative purposes. In the event of a Chapter 7 liquidation, the Debtors believe that only the secured portion of the Prepetition Credit Agreement Secured Claims would be secured with the balance of the claims deemed a general unsecured claim, receiving no recovery in a liquidation scenario.

\$'000s

Table II: Chapter 7 Administrative Claims

	Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values	
	Low Estimated Balance / Allowed Claim	High Estimated Balance / Allowed Claim	Low Recovery / High Claims	High Recovery / Low Claims
Net Operational Winddown Costs	\$ 2,293	\$ 2,523	100%	100%
Chapter 7 Trustee Fees	2,310	5,068	100%	100%
Chapter 7 Professional Fees & Costs	150	500	100%	100%
Environmental Remediation / Land Reclamation	1,452	1,452	100%	100%
Total Chapter 7 Administrative Claims				
			6,205	9,543
Net Proceeds after Chapter 7 Administrative Claims			\$ 71,280	\$ 159,889

\$'000s

Table III: Estimated Creditor Recoveries

Class	Estimated Consolidated Claims		Estimated Creditor Recovery Percentage		Hypothetical Creditor Recovery Values	
	Low	High	Low Recovery / High Claims	High Recovery / Low Claims	Low Recovery / High Claims	High Recovery / Low Claims
1 Professional Fee Carve Out Claims	\$ 2,250	\$ 3,000	100%	100%	\$ 3,000	\$ 2,250
2 Super Priority Debtor-in-Possession Loan	23,500	24,500	100%	100%	24,500	23,500
3 Prepetition Credit Agreement Claims						
3a Tranche A - Secondary	5,000	5,000	100%	100%	5,000	5,000
Accrued / Unpaid Interest	334	334	100%	100%	334	334
3a Tranche B - Tertiary	25,000	25,000	100%	100%	25,000	25,000
Accrued / Unpaid Interest	1,668	1,668	100%	100%	1,668	1,668
3b Tranche B - Secondary	15,000	15,000	79%	100%	11,779	15,000
Accrued / Unpaid Interest	1,808	1,808	0%	100%	-	1,808
3c Tranche A - Initial	50,000	50,000	0%	100%	-	50,000
Accrued / Unpaid Interest	7,497	7,497	0%	100%	-	7,497
3d Tranche B - Initial	55,000	55,000	0%	51%	-	27,833
Accrued / Unpaid Interest	8,178	8,178	0%	0%	-	-
3e Term Loans	160,000	160,000	0%	0%	-	-
Accrued / Unpaid Interest	18,141	18,141	0%	0%	-	-
3f Interest Rate Swaps	1,519	1,519	0%	0%	-	-
4 Chapter 11 Administrative Claims	650	750	0%	0%	-	-
5 Priority Claims	1,456	1,481	0%	0%	-	-
6 General Unsecured Claims	63,600	63,600	0%	0%	-	-
Total Consolidated Claims	\$ 440,600	\$ 442,475	16%	36%	\$ 71,280	\$ 159,889

Based on the estimated recoveries in the Plan and the Liquidation Analysis, it is the Debtors' opinion that the Plan satisfies the "best interests of creditors test." Under the Plan, each Creditor Class will receive at least the same value or significantly more than they would if the Debtors were in a chapter 7 liquidation.

Notes to Liquidation AnalysisNote A – Assets Available for Distribution

The Debtors' liquidation of assets in a chapter 7 bankruptcy will require the Chapter 7 Trustee to liquidate assets in an expedited manner. The Debtors' advisors and management relied on the unaudited balance sheet as of May 31, 2016 (except where otherwise noted) to estimate the recoveries for various asset classes with several adjustments. The Debtors' have four separate legal entities. For purposes of the Liquidation Analysis, the consolidated Debtors were evaluated on a consolidated basis and without regard to the potential impacts on a non-consolidated basis. A summary of the assets available for distribution in a High-Value Scenario and a Low-Value Scenario is presented below for the consolidated Debtors:

	Unaudited Book Balances May 31, 2016	Estimated Asset Realization Percentage		Hypothetical Liquidation Values	
		Low	High	Low	High
\$'000s					
Table IV: Total Assets and Net Proceeds Available for Distribution					
Current Assets					
Cash & Cash Equivalents	\$ 490	100%	100%	\$ 490	\$ 490
Restricted Cash	1,452	0%	0%	0	0
Accounts Receivable	3,990	50%	80%	1,995	3,192
Accounts Receivable from Related Comp	3	0%	0%	0	0
Inventory ⁽¹⁾	3,367	0%	0%	-	-
Property, Plant and Equipment, net					
Gas Storage & Construction in Progress	322,361	23%	51%	75,000	165,750
Other Assets					
Debt Issue Costs, net	7,874	0%	0%	-	-
Total Assets and Net Proceeds Available for Distribution	\$ 339,536	23%	50%	\$ 77,485	\$ 169,432

⁽¹⁾Recoverable value from Inventory is assumed to be included in the Gas Storage & Construction in Progress recovery amounts.

Cash and cash equivalent balances for the purposes of liquidation are estimated to be the ending Cash balances at the consolidated Debtors as of August 5, 2016. The Cash and cash equivalent values are assumed to be realized at a 100% recovery level. Additionally, approximately \$1.5 million of restricted Cash will be used to satisfy outstanding environmental claims upon entering into a chapter 7 liquidation.

Accounts receivables are primarily related to the ongoing operations at the Ryckman Creek Facility, and are estimated to be liquidated for proceeds between 50-80%. The High-Value Scenario of the estimated recovery is attributable to the Debtors' concentrated customer base, thus allowing accounts receivables to be collected with greater ease. The Low-Value Scenario is based on the assumption that the Chapter 7 Trustee will only be able to sell these receivables to a third party at a discount. The accounts receivables are reported at book value with no discount for non-collectible receipts, which is consistent with historical payment history for the Debtors. The Debtors have assumed recoveries consistent with the high and low ranges on customer accounts that are currently being disputed

between the contracted counterparties. Depending on the outcome of those negotiations, and any potential litigation, the recovery percentage on accounts receivable may be substantially lower than those estimated herein.

Accounts Receivable from Related Companies refers to accounts owed to the Debtors from Bear River Acquisition Corporation, a non-debtor related party. The Debtors believe these assets will be recovered at 0%.

Inventory primarily consists of Pad Gas in the ground owned by the Debtors, which serves as a functioning piece of the operations of the plant. The Debtors believe that the value created by the existence of the Pad Gas in the reservoir is captured in the sales price of the Ryckman Creek Facility. In the event that no buyer could be found, a scenario not contemplated in this analysis, it is assumed that the recoveries on the inventory will be 10% - 25% due to the limits on extraction and marketability of the gas belonging to the Debtors. The Debtors' existing customer contracts stipulate that customer gas is to be extracted first followed by the Pad Gas. Given the need to maintain required reservoir pressure to effectuate contractual deliveries at the Ryckman Creek Facility, all of the Pad Gas owned by Ryckman would be the last gas out of the reservoir, thus, it has been assumed that there is a low probability of achieving market prices for the Debtors' natural gas currently stored in the facility. While the Debtors believe the gas can be recovered from the facility, it may take up to a year for the Pad Gas to be extracted and available for sale. It is assumed that any purchaser that the Chapter 7 Trustee could identify for such gas would ascribe a significant discount to it in light of the timeline of potential extraction.

The majority of the proceeds available to Creditors in a chapter 7 liquidation are from the sale of the Ryckman Creek Facility. As noted above, to maximize recoveries to all Creditors, and given the unique nature of this asset, the Debtors have assumed that the facility could be sold as a going concern by the Chapter 7 Trustee.⁴ The Debtors believe there is interest in the market from a variety of financial and strategic buyers that have the financial wherewithal to acquire a facility such as the Ryckman Creek Facility on an expedited timeline. In the High-Value Scenario, the Debtors and their advisors have relied on the current market transaction values for storage facilities on a dollar per Bcf basis to calculate the potential recovery that the Chapter 7 Trustee may be able to recovery. Given existing trading multiples on natural gas storage facilities, it is believed that Ryckman Creek could achieve a price of \$4 million per Bcf of working gas capacity; yielding approximately \$165.8 million for Creditors. In the Low-Value Scenario, the Debtors have assumed that the Chapter 7 Trustee could quickly identify a financial investor who would pay approximately \$75.0 million for the facility given the cash flow generation potential of an operating facility such as the Ryckman Creek Facility.

Note B – Net Operational Wind-down Costs

⁴ The cessation of business in a liquidation could trigger certain claims that otherwise would not exist absent a liquidation.

The cost to operate the business during the chapter 7 bankruptcy process is assumed to be covered by cash flow from the liquidation of the assets. For the purposes of the Liquidation Analysis, the Debtors management and advisors have assumed that the business rapidly deteriorates upon conversion to chapter 7 on August 5, 2016. During the liquidation, certain revenues may be generated as collections are made against outstanding accounts receivable; however, there will be costs associated with the ongoing wind-down of the business that exceed these revenues. The wind-down costs are primarily comprised of salaries for the employees, including severance, operating expenses, and payments to administrative professionals. For the purposes of the Liquidation Analysis, the Debtors have estimated that a wind-down of the estates will take six to eight weeks. The net cash flow from operating the business over the six to eight week period will be funded through the assets sales. The estimated net cash flow for the six week period is approximately negative \$2.3 million while the estimated net cash flow for the eight week period is approximately \$2.5 million.⁵

Note C – Trustee Fees of Chapter 7 Estates

Compensation for the Chapter 7 Trustee was calculated as 3% of estimated assets available for distribution, excluding Cash on hand.

Note D – Chapter 7 Professional Fees & Costs

Chapter 7 Professional Fees & Costs include ongoing professional fees associated with winding down the business. These professional fees include transaction costs, audit and accounting fees, and legal support for the Chapter 7 Trustee. Once the asset sales are complete, certain corporate and administrative functions would be required to oversee the distribution of proceeds, to maintain and close the accounting records, and to prepare tax returns for the estates, among other things. It is assumed that chapter 7 professional fees will be in a range of \$150,000 - \$500,000.

Note E –Environmental Remediation

The Environmental Remediation expense includes the cost associated with reclamation of the land in Uinta County, Wyoming as secured by the reclamation bonds posted by the Debtors. These expenses include subsurface well plugging and abandonment costs; removal of various facilities from the properties; and other costs in connection with surface leases in place with the United States Bureau of Land Management and other third parties. While the facility is deemed to be sold as a going concern, it is assumed that the holders of various surety bonds against the Debtors will move to foreclose on those assets in the event of a conversion of these cases to a chapter 7 liquidation. In the event that the facility is sold, and the existing surety bonds would be transferred to the new purchaser, the Debtors do not believe such assets would be available to Creditors; however, in the event that such restricted

⁵ The Debtors believe that the assumption that a sale process may be consummated in six to eight weeks maximizes potential recoveries available to creditors; however, significant risk exists in being able to achieve a sale process on such an expedited timeline due to Federal Energy Regulatory Commission permitting requirements. A sale process may take up to 12-months significantly increasing the potential Net Operational Wind-down Costs.

Cash did become available for the benefit of the estate, the \$1.5 million in restricted Cash on the Debtors' balance sheet would not materially impact recoveries available to Creditors. Any potential environmental liabilities may vary significantly from the estimates reported herein.

Note F – Professional Fee Carve Out Claims

Professional Fee Claims subject to the Carve-Out consist of accrued and unpaid professional fees that arise during the administration of the Chapter 11 Cases. These claims are assumed to be incurred prior to the conversion to a chapter 7 liquidation on August 5, 2016. The projected accrued but unpaid professional fees range from \$2.3 million - \$3.0 million. In both the High-Value Scenario and the Low-Value Scenario, it is assumed that the Professional Fee Claims are paid in full.

Note G - DIP Facility Claims

DIP Facility Claims represent the amount funded under the DIP Facility pursuant to the DIP Order subsequent to the Petition Date, which is forecasted to be between \$23.5 million and \$24.5 million of principal, including accrued but unpaid interest as of August 5, 2016.

Note H – Prepetition Credit Agreement

The various tranches of Prepetition Credit Agreement Claims include the notes outstanding and accrued but unpaid interest as of the Petition Date or as of the conversion date depending on whether the tranches of debt are deemed fully secured. The Prepetition Credit Agreement Claims are secured by, among other things, substantially all of the assets of Ryckman Creek Resources, LLC. Both the High-Value Scenario and the Low-Value Scenario represent the amount estimated to be owed on the date the case converts to a Chapter 7 liquidation.

The Prepetition Credit Agreement Claims would be satisfied from the proceeds attributable to the liquidation of the Debtors' assets if value exists after satisfaction of the chapter 7 administrative claims, Professional Fee Claims subject to the Carve Out, and DIP Facility Claims. As the Liquidation Analysis shows, there is a significant impairment of the Prepetition Credit Agreement Claims from the liquidation of the assets.

In a chapter 7 bankruptcy, with Claims below the Initial Tranche B Completion Loans receiving no recovery in the High Value Scenario, and Claims below Initial Tranche A Completion Loans receiving no recovery in the Low Value Scenario.⁶

Note I – Priority Tax Claims

Priority Tax Claims arise from obligations due to various domestic taxing authorities.

⁶ Considering the Prepetition Credit Agreement Claims in the aggregate, such claims would recover between 13% and 38%.

Note J – General Unsecured Claims

General Unsecured Claims primarily consist of the trade payables and intercompany payables.

The Debtors have assumed for the purposes of this analysis that all purported Lien claimants will receive General Unsecured Claims. To the extent that any asserted Lien claims are deemed to be secured by valid Liens senior in priority to the Prepetition Credit Agreement Secured Claims, such Claims would recover ahead of the Prepetition Credit Agreement Secured Claims, causing recoveries to be adjusted accordingly.

The amount of General Unsecured Claims included in the analysis does not include the deficiency claims related to the Prepetition Credit Agreement, which are material, as demonstrated by the Liquidation Analysis. The Prepetition Credit Agreement Deficiency Claims are projected to range from \$217.1 million - \$307.6 million.

The Debtors have provided a “low-claim” scenario and “high-claim” scenario for use in the Liquidation Analysis, as a final determination of the General Unsecured Claims pool has yet to be determined, and the Debtors have not begun the Claims reconciliation process. **These estimates are based on the Debtors’ analysis of existing Claims and contracts, and should not to be considered as a final acknowledgment or settlement of any potential Claims.**

Note K – Intercompany Claims & Interests

It is assumed that no Intercompany Claims or Interests will be satisfied in the Liquidation Analysis as more senior Creditors are Impaired. In addition, in the Liquidation Analysis, the General Unsecured Claims Class is Impaired, and therefore prepetition Holders of Interests are estimated to receive no recovery in the event of liquidation under chapter 7 of the Bankruptcy Code.

EXHIBIT D

Debtors' Corporate Structure Chart

EXHIBIT E

Disclosure Statement Approval Order

[●]

Summary report:	
Litéra® Change-Pro TDC 7.5.0.178 Document comparison done on 6/8/2016 7:27:01 PM	
Style name: Option 3a Strikethrough Double Score No Moves	
Intelligent Table Comparison: Active	
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Description: RCR - Disclosure Statement	
Modified DMS: dm://CHISR02A/1046053/20	
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Move To	0
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Table Delete	1
Table moves to	0
Table moves from	0
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Embedded Excel	0
Format changes	1
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