

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

In re:

8 North, LLC.,¹

Debtor.

Chapter 11

Case No. 20-11550 (TMH)

(Formerly Jointly Administered under Lead
Case: Extraction Oil & Gas, Inc. Case No. 20-
11548 (CSS))

Regarding Docket No. 213

**ORDER APPROVING STIPULATION REGARDING
CLAIMS FILED BY THE UNITED STATES DEPARTMENT OF INTERIOR**

This Court having considered the *Stipulation Regarding Claims Filed by The United States Department of Interior* (the “Stipulation”)² attached hereto as Exhibit 1 and the *Certification of Counsel Regarding Stipulation Regarding Claims Filed by The United States Department of Interior*; the Court having determined that good and adequate cause exists for approval of the Stipulation; and the Court having determined that no further notice of the Stipulation must be given;

IT IS HEREBY ORDERED THAT:

1. The Stipulation is approved.

¹ The Reorganized Debtors in the chapter 11 cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, were: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Reorganized Debtors’ principal place of business was 370 17th Street, Suite 5300, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).

² Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Stipulation.



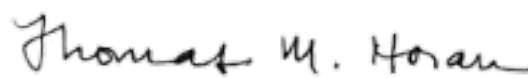
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2. The Reorganized Debtors and BLM and ONRR are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the terms of the Stipulation.

3. Verita Global (f/k/a Kurtzman Carson Consultants LLC), the Court appointed noticing and claims agent, is authorized to revise and amend the official claims register in the chapter 11 cases to reflect the terms of the Stipulation.

4. This Court retains jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

Dated: June 20th, 2025
Wilmington, Delaware

Handwritten signature of Thomas M. Horan in black ink.

THOMAS M. HORAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

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

In re:

8 North, LLC,¹

Reorganized Debtor.

Chapter 11

Case No. 20-11550 (CSS)

(Formerly Jointly Administered under
Lead Case: Extraction Oil & Gas, Inc.,
Case No. 20-11548)

**STIPULATION REGARDING CLAIMS FILED BY THE
UNITED STATES DEPARTMENT OF INTERIOR**

The above-captioned reorganized debtor (the “Reorganized Debtor”) in the above-captioned chapter 11 case, and the United States of America Department of the Interior, on behalf of the Bureau of Land Management (“BLM”) and the Office of Natural Resources Revenue (“ONRR”, and together with the Reorganized Debtor, the “Parties”), by and through their respective undersigned counsel, hereby enter into this stipulation (the “Stipulation”) as follows:

RECITALS

A. On June 14, 2020 (the “Petition Date”), Extraction Oil and Gas, Inc. (“XOG”) and its debtor affiliates (collectively, the “Debtors”) commenced voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

¹ The last four digits of each Reorganized Debtor’s federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors’ principal place of business is 370 17th Street, Suite 5200, Denver, Colorado 80202. On October 25, 2021, the Court entered an order [Docket No. 2070] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 20-11550 (CSS).

B. On December 23, 2020, the Court entered an order [Docket No. 1509] (the “Confirmation Order”) confirming the *Sixth Amended Joint Plan of Reorganization of Extraction Oil & Gas, Inc., and Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1505] (the “Plan”).² The Plan became effective on January 20, 2021 (the “Effective Date”).

C. Paragraphs 136-37 of the Confirmation Order provide, *inter alia*, that nothing in the Confirmation Order and Plan releases, discharges, limits, precludes, or enjoins certain liabilities to Governmental Units. The Plan provides that the United States retained the right to assert certain claims and liabilities related to the Debtors’ wells drilled into and producing from federal minerals, including any trespass claim.

D. The Plan also provides that any amounts due and owing to parties, including the United States, with respect to, but not limited to, any alleged underpayment of oil and gas royalties or working interests shall not be affected by the Plan and shall be resolved by the Parties in the ordinary course of business between them or in the appropriate non-bankruptcy forum if necessary.

E. On or about January 11, 2021, BLM filed a proof of claim against the XOG, which has been assigned proof of claim number 2593 (“Claim 2593”), asserting an unsecured claim in the amount of \$453,013.27, adjusted to \$462,032.05, for damages related to XOG’s alleged civil mineral trespass and alleged unauthorized removal of the United State’s minerals from the following wells: DT Forbes 04-05-06 well (API# 05-123-38300); DT Forbes 05-05-06 well (API# 05-123-38297); and DT Forbes C07-05-06 well (API# 41028) (collectively, the “DT Forbes Wells”).

F. On or about January 11, 2021, BLM also filed a proof of claim against XOG, which has been assigned proof of claim number 2594 (“Claim 2594”), asserting protective claims for

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

plugging and abandonment, reclamation, and decommissioning obligations. Claim 2594 states the United States' position that Claim 2594 is protective in nature and that regulatory obligations of the Debtors and Reorganized Debtors are mandatory injunctive obligations for which proofs of claim need not be filed under the Bankruptcy Code.

G. On or about January 14, 2021, ONRR filed a proof of claim against XOG, which has been assigned proof of claim number 2603 ("Claim 2603", and together with Claim 2593 and Claim 2594, the "USA Claims"), asserting an unsecured claim in the amount of \$1,544,525.01 for unpaid or underpaid federal oil and gas royalties.

H. On October 1, 2021, the Reorganized Debtors filed the *Reorganized Debtors' Objection to Proof of Claim No. 2594 Filed by Bureau of Land Management – Colorado State Office* [Docket No. 2051] (the "Objection"). The Objection states that Claim 2594 should be disallowed and expunged because it was filed as a protective measure by BLM and does not assert a present obligation or present claim owed by any of the Reorganized Debtors.

I. To date, neither the Debtors nor the Reorganized Debtors have objected to Claim 2593 or Claim 2603.

J. On or about July 7, 2021, XOG and BLM entered into that certain Settlement Agreement, a copy of which is attached hereto as Exhibit A, resolving Claim 2593, pursuant to which XOG agreed to pay the United States \$462,032.05 in resolution of Claim 2593. That amount has since been satisfied.

K. The Parties have agreed to resolve the USA Claims and the Objection as provided herein.

NOW, THEREFORE, it is hereby agreed and stipulated as follows:

1. This Stipulation shall be effective upon the date the order approving this Stipulation

becomes a final order that is not subject to an appeal (the “Stipulation Effective Date”).

2. Pursuant to and in accordance with the terms and conditions of the Plan and Confirmation Order, the rights, remedies, liabilities, interests and claims of BLM and ONRR against the Debtors and/or Reorganized Debtors pursuant to the BLM and/or ONRR agreements and leases with BLM and/or ONRR and in accordance with non-bankruptcy law are fully preserved and shall not be deemed discharged, limited, altered, precluded or enjoined by the Plan, the Confirmation Order, this Stipulation or otherwise (the “United States’ Rights”), and nothing in the Plan, the Confirmation Order, or this Stipulation shall prejudice the United States’ Rights under non-bankruptcy law. The obligations of the Debtors and/or the Reorganized Debtors in connection with the United States’ Rights shall be due and/or payable (i) in accordance with the BLM and/or ONRR agreements and leases and non-bankruptcy law, and (ii) without the need or requirement for BLM and/or ONRR to file additional claims. The obligations of the Debtors and/or the Reorganized Debtors in connection with the United States’ Rights shall not be deemed discharged or released by the Plan, the Confirmation Order or this Stipulation. For the avoidance of doubt, in accordance with paragraphs 136-37 of the Confirmation Order, the liabilities for plugging and abandonment, reclamation, and decommissioning obligations of the Debtors and/or Reorganized Debtors shall not be released, discharged, limited, precluded, or enjoined by the Plan, the Confirmation Order, or this Stipulation.

3. The Debtors and/or the Reorganized Debtors acknowledge their obligations under non-bankruptcy law for plugging and abandonment. The Debtors and/or the Reorganized Debtors acknowledge they are bound by applicable federal non-bankruptcy law regarding their BLM agreements and leases, notwithstanding the filing of their petitions in bankruptcy.

4. Upon the occurrence of the Stipulation Effective Date, Claim 2594 is hereby

deemed withdrawn.

5. Upon the occurrence of the Stipulation Effective Date, the Objection is hereby deemed withdrawn.

6. The Reorganized Debtors will continue to comply with any obligations to BLM under applicable non-bankruptcy law and the BLM agreements and leases, including but not limited to those referenced in Claim 2594, in the ordinary course of business.

7. Upon the occurrence of the Stipulation Effective Date, Claim 2593 shall be deemed satisfied in full.

8. Upon the occurrence of the Stipulation Effective Date, Claim 2603 shall be deemed withdrawn.

9. Notwithstanding the withdrawal of Claim 2603, the United States and the Reorganized Debtors reserve all of their respective rights, defenses and obligations under non-bankruptcy law related to, but not limited to, any alleged nonpayment or underpayment of oil and gas royalties or working interests and the amount, if any, due and owing by the Reorganized Debtors to the United States with respect to any alleged underpayment of oil and gas royalties or working interests. Any amounts due and owing to the United States with respect to, but not limited to, any alleged underpayment of oil and gas royalties or working interests shall be resolved by the Parties in the ordinary course of business between them or in the appropriate non-bankruptcy forum if necessary.

10. To the extent applicable, the United States is hereby granted relief from the injunctive provisions set forth in Article VIII.H of the Plan to determine whether any amounts are due and owing by the Reorganized Debtors to the United States with respect to any alleged

underpayment of oil and gas royalties or working interests.

11. To the extent a court, arbiter, or other tribunal determines that the United States is entitled to recovery on their claims for alleged underpayment of oil and gas royalties or working interests, such amounts are not property of the estate, and shall be paid in full by the Reorganized Debtors in the ordinary course of business.

12. Without conceding the existence or merits thereof, the Stipulation does not release any claim of or liability to any agency of the United States of America, any component within the United States Department of Interior.

13. The Parties acknowledge their respective rights and obligations pursuant to the Confirmation Order and that, notwithstanding anything to the contrary in this Stipulation, nothing in this Stipulation has any effect on the Confirmation Order.

14. The claims agent in the Reorganized Debtor's chapter 11 case is authorized to adjust the claims register in accordance with this Stipulation.

15. All other rights not specified here are reserved.

16. This Stipulation may not be modified, amended, or vacated other than by a signed writing executed by the Parties.

17. This Stipulation is and shall be binding on the Parties and their successors and assigns.

18. This Court shall retain jurisdiction to interpret, implement, and enforce the provisions of this Stipulation.

PASHMAN STEIN
WALDER HAYDEN, P.C.

/s/ Richard W. Riley

RICHARD W. RILEY (DE No. 4052)
The Renaissance Centre, Suite 500
405 North King Street
Wilmington, DE 19801

Dated: June 16, 2025

DAVID C. WEISS
United States Attorney

/s/ Claudia L. Pare

Claudia L. Pare
Assistant United States Attorney
1313 N. Market Street, Suite 400
Wilmington, DE 19801

Dated: June 16, 2025

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of the Interior, Bureau of Land Management (collectively the “United States”), and Extraction Oil & Gas, Inc. (“Extraction”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Extraction is a Delaware corporation in the business of oil and gas exploration and production, headquartered in Denver, Colorado. The principal offices for Extraction are located at 370 17th Street, Suite 5200, Denver, Colorado 80202.

B. The United States contends that Extraction drilled multiple wells into unleased federal minerals owned in whole or in part by the United States. The allegedly trespassing wells are described as: DT Forbes 04-05-06 well (API# 05-123-38300); DT Forbes 05-05-06 well (API# 05-123-38297); and DT Forbes C07-05-06 well (API# 41028) (“DT Forbes Wells”). The DT Forbes Wells are located in Section 5 of Township 5 North, Range 65 West, 6th P.M., Weld County, Colorado. Extraction neither sought nor obtained permission from the United States to drill the DT Forbes Wells or remove the United States’ minerals from the DT Forbes Wells.

C. The United States contends that it has a civil mineral trespass claim against Extraction related to the unauthorized removal of the United States’ minerals from the DT Forbes Wells during the period of from the date of first mineral production

of each of the DT Forbes Wells through July 1, 2019. The conduct described in Recitals B and C is referred to below as the “Covered Conduct.”

D. On June 14, 2020, Extraction filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. *See In re Extraction Oil & Gas, Inc.*, Bankr. Case No. 20-11548-CSS (Del.) (“the “Bankruptcy Action”), at ECF No. 1.

E. On January 11, 2021, the United States filed a Proof of Claim in the Bankruptcy Action asserting an unsecured claim for \$453,013.27, adjusted to \$462,032.05, for damages associated with the Covered Conduct (the “Proof of Claim”).

F. The confirmation plan from the Bankruptcy Action specifies that the United States retains the right to assert certain claims and liabilities related to Extraction’s wells drilled into and producing from federal minerals, including any trespass claim.

G. On June 12, 2019, Extraction applied to the United States for an oil and gas lease covering the unleased federal minerals to be made effective July 1, 2019 (the “Oil and Gas Lease Application”).

H. On August 13, 2020, the United States approved two Communitization Agreements, COC80229 and COC80233, covering the DT Forbes Wells (the “Communitization Agreements”). The approvals stated that the unleased minerals underlying Union Pacific Railroad Right-of-Way COC668 in Section 5 will be assigned an unleased lands account upon the establishment of production until a lease is issued and payments will be made into the account effective July 1, 2019.

I. The United States established unleased lands accounts (“ULA”) for payment to ONRR pursuant to the Communitization Agreements for production from the DT Forbes Wells beginning July 1, 2019. For Communitization Agreement COC80229, royalties are to be paid into ULA COC79940. For Communitization Agreement COC80233, royalties are to be paid into ULA COC79942.

J. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Extraction shall pay to the United States four hundred sixty-two thousand, thirty-two dollars and five cents (\$462,032.05) (“Settlement Amount”) by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney’s Office for the District of Colorado no later than fourteen (14) days after the Effective Date of this Agreement. The Parties further agree that the Settlement Amount covers 8/8 of the United States’ portion of the minerals removed from the DT Forbes Wells during the period described in the Covered Conduct.

2. The BLM will process the Oil and Gas Lease Application consistent with its practices and legal obligations, including any required notice to third parties and any obligations under the National Environmental Protection Act. For production after July 1, 2019, for the DT Forbes Wells, Extraction will pay royalties to ONRR as follows: (1) through ULA COC79940 and ULA COC79942 until such time as the Oil and Gas Lease is issued; and (2) upon issuance of the Oil and Gas Lease, royalty payments on production from the DT Forbes Wells will cease to be made through ULA COC79940

and ULA COC79942 and instead will be paid to ONRR under the lease account established for the Oil and Gas Lease.

3. Extraction understands and acknowledges that once the Oil and Gas Lease is issued for the DT Forbes Wells, it must re-report but not re-pay to ONRR through the lease account the production and royalties that were previously reported and paid through ULA COC79940 and ULA COC79942 for those same wells as provided in Paragraph 2 above.

4. Within 60 days of the issuance of the Oil and Gas Lease covering the DT Forbes Wells, Extraction will submit Applications for Permit to Drill for each of the DT Forbes Wells. The BLM will process the Applications for Permit to Drill consistent with current administration policies, its practices and legal obligations, including any required notice to third parties and any obligations under the National Environmental Protection Act. Extraction reserves the right to challenge any administration policy or practice that impedes the United States' performance of this agreement.

5. Subject to the exceptions in Paragraph 6 (concerning excluded claims) below, and conditioned upon Extraction's full payment of the Settlement Amount in Paragraph 1 above, the United States releases Extraction from any civil or administrative monetary claim the United States has for the Covered Conduct for mineral trespass or mineral royalty, including but not limited to the Proof of Claim.

6. Notwithstanding the release given in Paragraph 5 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct; and
- e. Any liability based upon obligations created by this Agreement.

7. Extraction fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Extraction has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Colorado. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this

Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties.

This Agreement may not be amended except by written consent of the Parties.

12. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

14. This Agreement is binding on Extraction's successors, transferees, heirs, and assigns.

15. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. This Agreement is effective on the date of signature of the last signatory to this Agreement ("Effective Date of this Agreement"). Email of PDF and Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

signatures on next page

THE UNITED STATES OF AMERICA

DATED: July 7, 2021

BY: ANDREA WANG
Andrea Wang
Assistant United States Attorney
District of Colorado


Digitally signed by
ANDREA WANG
Date: 2021.07.07
14:32:46 -06'00'

DATED: _____


BY: _____
Jamie Connell
Colorado State Director
U.S. Department of the Interior
Bureau of Land Management

EXTRACTION OIL & GAS, INC.

DATED: July 7, 2021

BY: 
Eric J. Christ
Vice President, General Counsel, and
Corporate Secretary

Approved as to Form:
DATED: July 7, 2021

BY: 
Joseph C. Pierzchala
Welborn Sullivan Meck & Tooley, P.C.
Counsel for Extraction Oil & Gas, Inc.

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Andrea Wang
Assistant United States Attorney
District of Colorado

DATED: _____

BY: _____

STEPHANIE
CONNOLLY

Digitally signed by STEPHANIE
CONNOLLY
Date: 2021.07.22 14:16:30 -06'00'

Stephanie Connolly
Colorado Acting State Director
U.S. Department of the Interior
Bureau of Land Management

EXTRACTION OIL & GAS, INC.

DATED: _____

BY: _____

Eric J. Christ
Vice President, General Counsel, and
Corporate Secretary

Approved as to Form:
DATED: _____

BY: _____

Joseph C. Pierzchala
Welborn Sullivan Meck & Tooley, P.C.
Counsel for Extraction Oil & Gas, Inc.