IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	
	:	Chapter 11
	:	
ARSENAL ENERGY HOLDINGS LLC,	:	Case No. 19-[_____] ([__])
	:	
Debtor.[1]	:	
	:	

PRE-PACKAGED PLAN OF REORGANIZATION OF ARSENAL ENERGY HOLDINGS LLC

Dated: January 9, 2019

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THIS CHAPTER 11 PLAN IS BEING SOLICITED FOR ACCEPTANCE OR REJECTION IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126. THIS CHAPTER 11 PLAN WILL BE SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTOR'S FILING FOR CHAPTER 11 BANKRUPTCY.

[1] The last four digits of the Debtor's taxpayer identification number are 6279. The Debtor's address is 6031 Wallace Road Ext., Suite 3000, Wexford, Pennsylvania, PA 15090.

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PRE-PACKAGED PLAN OF REORGANIZATION OF
ARSENAL ENERGY HOLDINGS LLC

INTRODUCTION

Arsenal Energy Holdings LLC, a Delaware limited liability company, as the Debtor,[2] hereby proposes the Plan for, among other things, the resolution of the outstanding Claims against, and Equity Interests in, the Debtor. The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. Reference is made to the Disclosure Statement (distributed contemporaneously herewith) for a discussion of the Debtor's history, business, properties, and projections and the events leading up to Solicitation of the Plan and for a summary of the treatment provided for herein. The Debtor urges all Holders of Claims and Equity Interests entitled to vote on the Plan to review the Disclosure Statement and the Plan in full before voting to accept or reject the Plan. There may be other agreements and documents that will be filed with the Bankruptcy Court that are referenced in the Plan as Exhibits. All such Exhibits are incorporated into and are a part of the Plan as if set forth in full herein. Subject to certain restrictions set forth in the Plan, and the requirements set forth in 11 U.S.C. § 1127 and Bankruptcy Rule 3019, the Debtor reserves the right to amend, supplement, amend and restate, modify, revoke or withdraw the Plan prior to the Effective Date.

[2] Unless otherwise noted, capitalized terms used in this Plan have the meanings set forth in Article I.B of the Plan.

ARTICLE I.

RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW AND DEFINED TERMS

A. Rules of Interpretation, Computation of Time and Governing Law

For purposes hereof: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to "Articles" and "Sections" are references to Articles and Sections hereof; (e) unless otherwise stated, the words "herein," "hereof," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) 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 hereof; (g) any reference to an Entity as a Holder of a Claim or Equity Interest includes such Entity's successors and assigns; (h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (j) "$" or "dollars" means dollars in lawful currency of the U.S.; (k) any effectuating provisions may be interpreted by the Debtor or the Reorganized Debtor in a manner consistent with the overall purpose and intent of the Plan, all without further notice to or action, order, or approval of the Bankruptcy Court or any other entity, and, to the extent of any dispute with respect thereto, the Bankruptcy Court shall retain jurisdiction consistent with Article IX; and (l) except as otherwise provided, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If any payment, distribution, act or deadline under the Plan is required to be made or performed or occurs on a day that is not a Business Day, then the making of such payment or distribution, the performance of such act or the occurrence of such deadline shall be deemed to be on the next succeeding Business Day, but shall be deemed to have been completed or to have occurred as of the required date.

B. Definitions

1.1 "**2014 Note and Warrant Purchase Agreement**" means that certain Note and Warrant Purchase Agreement dated as of July 29, 2014, among AEH and each of the Subordinated Noteholders party thereto.

1.2 "**2016A Note and Warrant Purchase Agreement**" means that certain Note and Warrant Purchase Agreement dated as of November 10, 2016 among AEH and each of the Subordinated Noteholders party thereto.

1.3 "**2016B Note and Warrant Purchase Agreement**" means that certain Note and Warrant Purchase Agreement dated as of December 22, 2016 among AEH and each of the Subordinated Noteholders party thereto.

1.4 "**Administrative Claim**" means a Claim for payment of an administrative expense of a kind specified in section 503(b) or section 1114(e)(2) of the Bankruptcy Code and entitled to priority under section 507(a)(1) of the Bankruptcy Code, including (a) actual, necessary costs and expenses of preserving the Debtor's Estate and operating the Debtor's business, (b) Professional Fee Claims and any other compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under section 327, 328, 330, 331, 363, or 503(b) of the Bankruptcy Code to the extent incurred prior to and including the Effective Date, and (c) all fees and charges assessed against the Estate under chapter 123 of title 28, United States Code.

1.5 "**AEH**" means Arsenal Energy Holdings LLC, a Delaware limited liability company and formerly known as Mountaineer Energy Holdings, LLC.

1.6 "**Affiliate**" has the meaning set forth in section 101(2) of the Bankruptcy Code.

1.7 "**Allowed**" means, with respect to any Claim or Equity Interest, such Claim or Equity Interest or any portion thereof that the Debtor or the Reorganized Debtor has assented to the validity of or that has been (a) allowed by a Final Order of the Bankruptcy Court, (b) allowed pursuant to the terms of the Plan, (c) allowed by agreement between the Holder of such Claim, on one hand and the Debtor or Reorganized Debtor, as applicable, on the other hand, or (d) allowed by a Final Order of a court in which such Claim could have been determined, resolved or adjudicated if the Chapter 11 Case had not been commenced.

1.8 "**ARH**" means Arsenal Resources Holdings LLC, a Delaware limited liability company and formerly known as Mountaineer Resources Holdings LLC.

1.9 "**Assumed Agreement**" means an Executory Contract or Unexpired Lease which has been assumed by the Debtor either pursuant to the terms of the Plan or pursuant to an order of the Bankruptcy Court.

1.10 "**Avoidance Actions**" means any and all avoidance, recovery, subordination or other actions or remedies that may be brought by and on behalf of the Debtor or its Estate under the Bankruptcy Code or applicable non-bankruptcy law, including actions or remedies arising under chapter 5 of the Bankruptcy Code.

1.11 "**Ballot**" means, with respect to a Holder of a Claim or Equity Interest in a Voting Class, the applicable voting form distributed to such Holder on which the Holder is to indicate, among other things, acceptance or rejection of the Plan in accordance with the instructions contained therein and make any other elections or representations required pursuant to the Plan or as described in the Disclosure Statement.

1.12 "**Bankruptcy Code**" means title 11 of the United States Code, as now in effect or hereafter amended.

1.13 "**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware.

1.14 "**Bankruptcy Rules**" means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms and the Local Rules, in each case as amended from time to time and as applicable to the Chapter 11 Case or proceedings therein.

1.15 "**Business Day**" means any day, excluding Saturdays, Sundays or "legal holidays" (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in New York, New York.

1.16 "**Cash**" means legal tender of the U.S. or the equivalent thereof.

1.17 "**Cause of Action**" means any action, proceeding, agreement, claim, cause of action, controversy, demand, right, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, foreseen or unforeseen, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Cause of Action also includes: (a) any right of setoff, cross-claim, counterclaim, or recoupment, and any claim on a contract or for a breach of duty imposed by law or in equity; (b) with respect to the Debtor, the right to object to Claims or Equity Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any Avoidance Action; and (f) any state law fraudulent transfer claim.

1.18 "**Chapter 11 Case**" means the case commenced by the Debtor under chapter 11 of the Bankruptcy Code on the Petition Date in the Bankruptcy Court.

1.19 "**Claim**" means a "claim" against the Debtor as defined in section 101(5) of the Bankruptcy Code.

1.20 "**Class**" means a category of Claims or Equity Interests classified under Article III of the Plan pursuant to section 1122 of the Bankruptcy Code.

1.21 "**Confirmation**" means the entry by the Bankruptcy Court of the Confirmation Order on the docket of the Chapter 11 Case, within the meanings of Bankruptcy Rules 5003 and 9021.

1.22 "**Confirmation Date**" means the date upon which Confirmation occurs.

1.23 "**Confirmation Hearing**" means the hearing to consider confirmation of the Plan under section 1128 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.24 "**Confirmation Order**" means the order of the Bankruptcy Court confirming the Plan and approving the Disclosure Statement entered pursuant to section 1129 of

the Bankruptcy Code substantially in the form filed with the Bankruptcy Court on the Petition Date and otherwise in form and substance reasonably satisfactory to the Debtor and the Required Consenting Subordinated Noteholders.

1.25 "**Consenting AEH Unitholders**" means entities that are members of AEH and holders of the Existing AEH Common Equity Interests that are party to the Subordinated Notes Transaction Support Letter.

1.26 "**Consenting Subordinated Noteholders**" means the Subordinated Noteholders that are party to the Subordinated Notes Transaction Support Letter and that have not breached their obligations thereunder.

1.27 "**Consenting Seller Noteholders**" means LR-Mountaineer Holdings, L.P. and such other Holders of Seller Notes party to the Seller Notes Transaction Support Letter.

1.28 "**Cure**" means the payment of Cash, or the distribution of other property or other action (as the parties may agree or the Bankruptcy Court may order), as necessary to cure defaults under an Executory Contract or Unexpired Lease of the Debtor that the Debtor may assume under section 365(a) of the Bankruptcy Code.

1.29 "**Debtor**" means AEH, as debtor and debtor in possession under sections 1107 and 1108 of the Bankruptcy Code.

1.30 "**Disclosure Statement**" means that certain Disclosure Statement for the Pre-Packaged Plan of Reorganization of Arsenal Energy Holdings LLC, as may be amended, supplemented, amended and restated, or otherwise modified from time to time, and that is prepared and distributed in accordance with sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3016 and 3018 and applicable non-bankruptcy law and otherwise in form and substance reasonably satisfactory to the Required Consenting Subordinated Noteholders.

1.31 "**Distribution Agent**" means Reorganized AEH or any party designated by Reorganized AEH to serve as distribution agent under the Plan.

1.32 "**Distribution Record Date**" means the Confirmation Date.

1.33 "**D&O Liability Insurance Policies**" means all insurance policies (including any "tail policy") for liability of the current or former managing members, members, managers, directors, and officers maintained by the Debtor as of the Petition Date or thereafter.

1.34 "**Effective Date**" means the date on which a notice of effectiveness is filed with the Bankruptcy Court confirming that (a) all conditions in Article VIII.A of the Plan have been satisfied or waived as provided for in Article VIII.B and (b) consummation of the Restructuring Transactions has occurred.

1.35 "**Entity**" means an "entity" as defined in section 101(15) of the Bankruptcy Code.

1.36 "**Equity Interest**" means all outstanding ownership interests in the Debtor, including any interest evidenced by common or preferred stock, a limited liability company or other membership or partnership interest or unit, a warrant, an option, or any other right to acquire or otherwise receive any ownership interest in the Debtor, or any right to payment or compensation based upon any such interest, whether or not such interest is owned by the Holder of such right to payment or compensation.

1.37 "**Estate**" means the estate of the Debtor in the Chapter 11 Case, as created under section 541 of the Bankruptcy Code.

1.38 "**Exchange Act**" means the Securities Exchange Act of 1934, as now in effect or hereafter amended, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder.

1.39 "**Exchange Agreement**" means the Exchange Agreement in the form attached to this Plan as Exhibit A, as may be amended, supplemented or modified in accordance with the terms thereof.

1.40 "**Exculpated Parties**" means, (a) the Debtor, (b) the Reorganized Debtor and (c) all current and former officers, directors, professionals, advisors, accountants, attorneys, investment bankers, consultants, employees, agents, managers, managing members, principals and other representatives of the Debtor in their capacity as such.

1.41 "**Executory Contract**" means a contract to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.42 "**Exhibit**" means an exhibit annexed to the Plan or as an exhibit or appendix to the Disclosure Statement (as such exhibits may be amended, supplemented, amended and restated, or otherwise modified from time to time).

1.43 "**Existing AEH Common Equity Interests**" means the existing Equity Interests in AEH consisting of the common Units (as defined in the Existing AEH Operating Agreement).

1.44 "**Existing AEH Operating Agreement**" means the Amended and Restated Operating Agreement of AEH, dated as of October 14, 2014, as in effect on the Petition Date.

1.45 "**Existing AEH Other Equity Interests**" means any Equity Interests in AEH other than the Existing AEH Common Equity Interests.

1.46 "**Final Order**" means an order or judgment of the Bankruptcy Court or another court of competent jurisdiction as to which no stay has been entered and either the time to appeal, petition for certiorari, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, new trial, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtor or the Reorganized Debtor, as applicable, or, in the event that an appeal, writ of

certiorari, new trial, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been affirmed, or otherwise not vacated, or such appeal, writ of certiorari, new trial, reargument, or rehearing shall have been denied, in each case, by the highest court to which such appeal, writ of certiorari, new trial, reargument, or rehearing had been sought and the time to take any further appeal, petition for certiorari, or move for a new trial, reargument or rehearing shall have expired; *provided*, *however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not preclude such order from being a Final Order.

1.47 "**FRMH**" means FR Mountaineer Keystone Holdings LLC.

1.48 "**General Unsecured Claim**" means any Claim against the Debtor that is not an Administrative Claim, Priority Tax Claim, Other Priority Claim, Professional Fee Claim, Seller Note Claim, Subordinated Note Claim, Other Secured Claim or Intercompany Claim.

1.49 "**Governmental Unit**" means a "governmental unit" as defined in section 101(27) of the Bankruptcy Code.

1.50 "**Holder**" means an Entity holding a Claim against, or Equity Interest in, the Debtor as of the applicable date of determination.

1.51 "**Impaired**" means, with respect to a Claim, Equity Interest or Class of Claims or Equity Interests, "impaired" within the meaning of such term in section 1124 of the Bankruptcy Code.

1.52 "**Indemnification Agreement**" means any organizational or employment and/or service agreement of or with the Debtor and currently in place that provides for the indemnification of any current or former managing member, member, manager, director, officer or employee of the Debtor.

1.53 "**Intercompany Claim**" means any Claim by an Affiliate of the Debtor against the Debtor.

1.54 "**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended.

1.55 "**Joint Development Agreement**" means the Joint Development Agreement, dated December 21, 2018, between Arsenal Resources Development LLC and IOG Resources, LLC.

1.56 "**Lien**" means a "lien" as defined in section 101(37) of the Bankruptcy Code, and, with respect to any asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset.

1.57 "**Local Rules**" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

1.58 "**MIP**" means a management incentive plan to be adopted by the New AEH Board immediately after the Effective Date, which shall include the issuance of New AEH Profits Interests Units.

1.59 "**New AEH Board**" means Reorganized AEH's initial board of managers as selected in accordance with the New AEH Operating Agreement.

1.60 **"New AEH Class A Common Units**" means Class A common units of Reorganized AEH to be issued pursuant to the Exchange Agreement, which shall have the rights and obligations set forth in the New AEH Operating Agreement.

1.61 **"New AEH Class B Common Units**" means Class B common units of Reorganized AEH to be issued pursuant to the Exchange Agreement, which shall have the rights and obligations set forth in the New AEH Operating Agreement.

1.62 **"New AEH Class C Common Units"** means Class C common units of Reorganized AEH to be issued pursuant to the Exchange Agreement, which shall have the rights and obligations set forth in the New AEH Operating Agreement.

1.63 "**New AEH Common Units**" means, collectively, (a) the New AEH Class A Common Units (b) the New AEH Class B Common Units and (c) the New AEH Class C Common Units, as applicable.

1.64 "**New AEH Operating Agreement**" means the limited liability company operating agreement of Reorganized AEH, as amended and restated on the Effective Date pursuant to the Plan and the Exchange Agreement, substantially in the form attached to this Plan as Exhibit B.

1.65 "**New AEH Profits Interests**" means the Profits Interest Units as defined in the New AEH Operating Agreement.

1.66 "**Non-Debtor Subsidiaries**" means, collectively, each of the direct and indirect subsidiaries of the Debtor.

1.67 "**Other Priority Claim**" means a Claim entitled to priority under section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.

1.68 "**Other Secured Claim**" means any Secured Claim against the Debtor other than a Seller Note Claim.

1.69 "**Person**" means a "person" as defined in section 101(41) of the Bankruptcy Code and also includes any natural person, corporation, general or limited partnership, limited liability company, firm, trust, association or other Entity, whether acting in an individual, fiduciary or other capacity.

1.70 "**Petition Date**" means the date on which the Debtor filed its petition for relief commencing the Chapter 11 Case.

1.71 "**Plan**" means, collectively, this pre-packaged plan of reorganization, the Exhibits, all supplements, appendices, and schedules hereto, either in their present form or as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time.

1.72 "**Preference Actions**" means any and all avoidance, recovery or other actions or remedies that may be brought by and on behalf of the Debtor or its Estate under section 547 of the Bankruptcy Code.

1.73 "**Priority Tax Claim**" means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

1.74 "**Professional**" means: (a) any Entity employed in the Chapter 11 Case pursuant to section 327, 328, 363 or 1103 of the Bankruptcy Code and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Case pursuant to section 503(b)(4) of the Bankruptcy Code.

1.75 "**Professional Claims Bar Date**" means thirty (30) days after the Effective Date.

1.76 "**Professional Fee Claim**" means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code for compensation for services rendered or reimbursement of costs, expenses or other charges incurred by Professionals after the Petition Date and prior to and including the Effective Date.

1.77 "**Pro Rata**" means, at any time, the proportion that the face amount of a Claim or Equity Interest in a particular Class bears to the aggregate face amount of all Claims or Equity Interests in that Class, unless the Plan provides otherwise.

1.78 "**Reinstated**" or "**Reinstatement**" means leaving a Claim unimpaired under the Plan pursuant to section 1124(a)(2) of the Bankruptcy Code.

1.79 "**Related Parties**" means, with respect to an Entity, collectively, its direct and indirect affiliates, and its and its respective affiliates' current and former equity holders, members, partners, subsidiaries, affiliates, funds, managers, managing members, officers, directors, employees, advisors, financial advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives (including their respective equity holders, members, partners, subsidiaries, affiliates, funds, managers, managing members, officers, directors, employees, advisors, financial advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents, and other representatives, each in their capacity as such).

1.80 "**Released Parties**" means, collectively, in each case solely in their respective capacities as such: (a) the Debtor, (b) the Reorganized Debtor, (c) the Non-Debtor Subsidiaries, (d) the Consenting Subordinated Noteholders, (e) the Holders of the Seller Notes and (f) each of the Related Parties of the Entities in the foregoing (a)-(e); *provided, however*, that any Holder of a Claim or Equity Interest in a voting class that "opts out" of the releases provided

in the Plan on its Ballot or any such Holder in a non-voting class that timely objects to the releases shall not be included in the definition of "Released Parties."

1.81 "**Releasing Parties**" means, collectively, in each case solely in their respective capacities as such: (a) the Debtor, (b) the Reorganized Debtor, (c) the Non-Debtor Subsidiaries, (d) the Subordinated Noteholders, (e) the Holders of the Seller Notes, (f) each of the Related Parties of the Entities in the foregoing (a)-(e) and (g) those Holders of Claims or Equity Interests (i) who vote to accept the Plan, (ii) who are Unimpaired under the Plan and do not timely object to the releases provided herein, (iii) whose vote to accept or reject the Plan is solicited but who do not vote either to accept or to reject the Plan and do not opt out of granting the releases herein, or (iv) who vote to reject the Plan but do not opt out of granting the releases herein. Notwithstanding anything to the contrary herein, neither IOG Resources, LLC nor any Related Party with respect to IOG Resources, LLC, in its capacity as such, shall constitute a Releasing Party for any purpose under the Plan.

1.82 "**Reorganized**" means, in reference to the Debtor, the Debtor from and after the Effective Date.

1.83 "**Reorganized Debtor Governance Documents**" means the New AEH Operating Agreement and any other applicable organizational or governance documents of the Reorganized Debtor.

1.84 "**Required Consenting Subordinated Noteholders**" means, at any time, Consenting Subordinated Noteholders holding at least 66⅔% in principal amount of the Subordinated Notes at the time outstanding (exclusive of Subordinated Notes then owned by the Debtor or its Subsidiaries).

1.85 "**Restructuring Transactions**" means the restructuring transactions for the Debtor, in accordance with, and subject to the terms and conditions set forth in, the Plan and the Exchange Agreement.

1.86 "**Schedule of Proposed Cure Amounts**" means that schedule of proposed Cure amounts, if any, to be paid on account of each Assumed Agreement, which is attached to this Plan as Exhibit C.

1.87 "**Secured Claim**" means a Claim that is secured by a Lien on property in which the Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

1.88 "**Securities Act**" means the Securities Act of 1933, as now in effect or hereafter amended, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder.

1.89 "**Seller Note Agent**" means LR-Mountaineer Holdings, L.P., or any successor as the collateral agent under the Collateral Agreement (as defined in the Seller Note).

1.90 "**Seller Note Claims**" means any Claims arising under or related to the Seller Notes.

1.91 "**Seller Note Documents**" means the Seller Notes and the Collateral Agreement, the Guaranty Agreement, the Collateral Agency Agreement and the Subordination Agreement (as such terms are defined in the Seller Notes).

1.92 "**Seller Notes**" means the Seller Notes originally issued by AEH to (a) LR-Mountaineer Holdings, L.P. and (b) PDC Energy, Inc., which were subsequently assigned by PDC Energy, Inc. to affiliates of or funds managed by Chambers Energy Management LP, each dated as of October 14, 2014, and each issued in the original principal amount of $39,047,625.

1.93 "**Seller Notes Transaction Support Letter**" means the letter agreement, dated as of December 21, 2018, among AEH, ARH, LR-Mountaineer Holdings, L.P. and the other Holders of Seller Notes party thereto.

1.94 "**Solicitation**" means the Debtor's formal request for acceptances of the Plan, consistent with sections 1125 and 1126 of the Bankruptcy Code, rules 3017 and 3018 of the Federal Rules of Bankruptcy Procedure, and applicable non-bankruptcy law.

1.95 "**Subordinated Note Claims**" means any Claims arising under or related to the Subordinated Notes and the Subordinated Note Purchase Agreement.

1.96 "**Subordinated Note Purchase Agreement**" means, collectively, (a) the 2014 Note and Warrant Purchase Agreement, (b) the 2016A Note and Warrant Purchase Agreement and (c) the 2016B Note and Warrant Purchase Agreement.

1.97 "**Subordinated Noteholder**" means a Holder of the Subordinated Notes.

1.98 "**Subordinated Notes**" means the subordinated notes issued pursuant to the Subordinated Note Purchase Agreement in the original aggregate principal amount of approximately $530,000,000.

1.99 "**Third Party Released Claims**" shall have the meaning set forth in Article III.D of the Plan.

1.100 "**Subordinated Notes Transaction Support Letter**" means the letter agreement, dated as of December 21, 2018, among AEH, ARH, each of the Consenting Subordinated Noteholders and each of the Consenting AEH Unitholders.

1.101 "**Unexpired Lease**" means a lease to which the Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.102 "**Unimpaired**" means any Claim or Equity Interest that is not designated as Impaired.

1.103 "**Unimpaired Claim**" means Administrative Claims, Priority Tax Claims and any Claim arising prior to the Effective Date in Class 1, 2, 4 or 5 of the Plan.

1.104 "**U.S.**" means the United States of America.

1.105 "**U.S. Trustee**" means the Office of the United States Trustee for the District of Delaware.

1.106 "**Voting Classes**" means collectively, Classes 3 and 6.

1.107 "**Voting Record Date**" means the date for determining which Holders are entitled to receive the Disclosure Statement and vote to accept or reject the Plan, as applicable, which date is January 8, 2019 for all Holders of Claims and Equity Interests in the Voting Classes.

ARTICLE II.

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified and are not entitled to vote on the Plan.

A. Administrative Claims

Subject to subparagraph (i) below, in full and complete satisfaction, settlement, discharge and release of each Allowed Administrative Claim, except to the extent that a Holder of such Allowed Administrative Claim and either (x) the Debtor, or (y) the Reorganized Debtor, as applicable, agree in writing to less favorable treatment, the Debtor or Reorganized Debtor, as applicable, shall pay to each Holder of an Allowed Administrative Claim, Cash in an amount equal to such Allowed Administrative Claim on, or as soon thereafter as is reasonably practicable (a) the Effective Date or, if payment is not then due, (b) on the due date of such Allowed Administrative Claim; *provided, however*, that Administrative Claims incurred by the Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court.

(i) Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered before the Effective Date must file and serve on the Reorganized Debtor and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim no later than the Professional Claims Bar Date. The reasonable and documented professional fees and expenses of Cleary Gottlieb Steen & Hamilton LLP and one local counsel, counsel to certain of the Consenting Subordinated Noteholders, incurred prior to the Petition Date and thereafter up to the Effective Date shall paid by the Debtor or the Reorganized Debtor on or immediately following the Effective Date without the need for filing any fee application or approval by the Bankruptcy Court.

B. Priority Tax Claims

On the Effective Date, each Holder of an Allowed Priority Tax Claim will, as determined by the Debtor, or the Reorganized Debtor, as applicable, be satisfied in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.

C. Statutory Fees

Notwithstanding anything herein to the contrary, on the Effective Date, the Debtor shall pay, in full, in Cash, any fees due and owing to the U.S. Trustee at the time of Confirmation pursuant to 28 U.S.C. § 1930(a)(6). On and after the Effective Date, to the extent the Chapter 11 Case remains open, and for so long as the Reorganized Debtor remains obligated to pay quarterly fees, the Reorganized Debtor shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. The Debtor or Reorganized Debtor, as applicable, shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of the Chapter 11 Case being closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

A. Introduction

All Claims and Equity Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes set forth below in accordance with section 1123(a)(1) of the Bankruptcy Code. The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes, including, without limitation, voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled prior to the Effective Date.

B. Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1.	Other Secured Claims	Unimpaired	Presumed to Accept
2.	Seller Note Claims	Unimpaired	Presumed to Accept
3.	Subordinated Note Claims	Impaired	Entitled to Vote
4.	General Unsecured Claims	Unimpaired	Presumed to Accept
5.	Intercompany Claims	Unimpaired	Presumed to Accept
6.	Existing AEH Common Equity Interests	Impaired	Entitled to Vote
7.	Existing AEH Other Equity Interests	Impaired	Deemed to Reject

C. Classification and Treatment of Claims and Equity Interests

(i) Class 1 – Other Secured Claims.

(1) Classification: Class 1 consists of all Other Secured Claims. All Other Secured Claims are Allowed.

(2) Treatment: In full and final satisfaction, settlement, discharge and release of, and in exchange for, each Other Secured Claim, on the Effective Date, at the option of the Debtor, each Other Secured Claim shall be (i) paid in full in Cash, (ii) Unimpaired and Reinstated or (iii) treated on such other terms as either the Debtor or the Reorganized Debtor, as applicable, and the Holder thereof may agree.

(3) Impairment and Voting: Class 1 is Unimpaired by the Plan. Each Holder of an Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Allowed Other Secured Claim is not entitled to vote to accept or reject the Plan.

(ii) Class 2 – Seller Note Claims.

(1) Classification: Class 2 consists of all Seller Note Claims. The Seller Note Claims are Allowed.

(2) Treatment: On the Effective Date, the Seller Note Claims and the Seller Note Documents shall be Unimpaired and Reinstated and shall remain in full force and effect. Notwithstanding anything to the contrary in the Plan, the Confirmation Order or any document executed or transaction entered into in connection with the Plan or the Restructuring Transactions, until Class 2 Claims have been paid in full in accordance with the terms of the Seller Notes and the Seller Note Documents, (a) the provisions of Articles V.G, V.H, X.C, X.E, X.F or X.G of the Plan shall not apply or take effect to such Class 2 Claims, (b) such Class 2 Claims shall not be deemed settled, satisfied, resolved, released, discharged or enjoined by any provision of the Plan and (c) the Reorganized Debtor shall remain liable for such Class 2 Claims.

(3) Impairment and Voting: Class 2 is Unimpaired by the Plan. Each Holder of a Seller Note Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of a Seller Note Claim is not entitled to vote to accept or reject the Plan.

(iii) Class 3 – Subordinated Note Claims.

(1) Classification: Class 3 consists of all Subordinated Note Claims. The Subordinated Note Claims shall be Allowed in an aggregate principal amount of approximately $861 million, plus any accrued and unpaid interest thereon plus all other unpaid and outstanding obligations thereunder, as applicable and such Subordinated Note Claims shall not be subject to disallowance, setoff, recoupment, subordination (other than with respect to the Seller Notes pursuant to the Seller Note Documents),

recharacterization or reduction of any kind, including pursuant to Section 502(d) of the Bankruptcy Code.

(2) Treatment: In full and final satisfaction, settlement, discharge and release of, and in exchange for, each Subordinated Note Claim, on the Effective Date, each Holder of a Subordinated Note Claim shall be deemed party to the Exchange Agreement (regardless of whether such Holder has executed and delivered a signature page thereto), which Exchange Agreement shall become effective on the Effective Date and pursuant to which, among other rights and benefits, each Holder of a Subordinated Note Claim shall receive its Pro Rata share of 100% of the New AEH Class A Common Units.

(3) Impairment and Voting: Class 3 is Impaired by the Plan. Each Holder of a Subordinated Note Claim is entitled to vote to accept or reject the Plan.

(iv) Class 4 – General Unsecured Claims.

(1) Classification: Class 4 consists of all General Unsecured Claims. All General Unsecured Claims are Allowed.

(2) Treatment: All General Unsecured Claims are Unimpaired by the Plan. At the option of the Debtor or the Reorganized Debtor, as applicable, (i) the Plan may leave unaltered the legal, equitable, and contractual rights of a Holder of a General Unsecured Claim, (ii) the Debtor or the Reorganized Debtor, as applicable, may pay such General Unsecured Claim in full in Cash on the Effective Date or as soon thereafter as is practicable, (iii) the Debtor or the Reorganized Debtor, as applicable, may pay such General Unsecured Claim in a manner agreed to by the Holder of such Claim, or (iv) the Plan may reinstate the legal, equitable, and contractual rights of the Holder of an General Unsecured Claim in accordance with section 1124(2) of the Bankruptcy Code.

(3) Impairment and Voting: Class 4 is Unimpaired by the Plan. Each Holder of a General Unsecured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of a General Unsecured Claim is not entitled to vote to accept or reject the Plan.

(v) Class 5 – Intercompany Claims.

(1) Classification: Class 5 consists of all Intercompany Claims. All Intercompany Claims are Allowed.

(2) Treatment: Each Intercompany Claim shall be Reinstated and Unimpaired.

(3) Impairment and Voting: Class 5 is Unimpaired by the Plan. Each Holder of an Intercompany Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each Holder of an Allowed Intercompany Claim is not entitled to vote to accept or reject the Plan.

(vi) Class 6 – Existing AEH Common Equity Interests.

(1) Classification: Class 6 consists of all Existing AEH Common Equity Interests. All Existing AEH Common Equity Interests are Allowed.

(2) Treatment: In full and final satisfaction, settlement, discharge and release of, and in exchange for, each Existing AEH Common Equity Interest, on the Effective Date, the Holders of Existing AEH Common Equity Interests shall receive their Pro Rata share of 100% of the New AEH Class B Common Units in accordance with the schedule attached to the New AEH Operating Agreement, unless any such Holders elect less favorable treatment; *provided* that, in accordance with the right to elect less favorable treatment, ARH and FRMH, as Holders of Existing AEH Common Equity Interests, have elected to receive, and shall receive, their Pro Rata share of 100% of the New AEH Class C Common Units, in accordance with the schedule attached to the New AEH Operating Agreement.

(3) Impairment and Voting: Class 6 is Impaired by the Plan. Each Holder of an Allowed Existing AEH Common Equity Interest is entitled to vote to accept or reject the Plan.

(vii) Class 7 – Existing AEH Other Equity Interests.

(1) Classification: Class 7 consists of all Existing AEH Other Equity Interests.

(2) Treatment: On the Effective Date, all Existing AEH Other Equity Interests shall be cancelled, and Holders of Existing AEH Other Equity Interests shall receive no recovery under the Plan.

(3) Impairment and Voting: Class 7 is Impaired by the Plan, and each Holder of an Existing AEH Other Equity Interest is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each Holder of an Existing AEH Other Equity Interest is not entitled to vote to accept or reject the Plan.

D. Special Provisions Regarding Unimpaired Claims

The Debtor, the Reorganized Debtor and any other Entity shall retain all defenses, counterclaims, rights to setoff, and rights to recoupment, if any, as to Unimpaired Claims. Holders of Unimpaired Claims shall not be required to file a proof of claim with the Court and shall retain all their rights under applicable non-bankruptcy law to pursue their Unimpaired Claims in any forum with jurisdiction over the parties. Notwithstanding anything to the contrary in the Plan, each Holder of an Allowed Other Secured Claim, Allowed General Unsecured Claim, or Allowed Intercompany Claim shall be entitled to enforce its rights in respect of such Unimpaired Claim against the Debtor or the Reorganized Debtor, as applicable, until such Unimpaired Claim has been either (a) paid in full (i) on terms agreed to between the Holder of such Unimpaired Claim and the Debtor or the Reorganized Debtor, as applicable, or (ii) in accordance with the terms and conditions of the applicable documentation or laws giving rise to such Unimpaired Claim or (b) otherwise satisfied or disposed of as determined by a court of competent jurisdiction. If the Debtor or the Reorganized Debtor dispute any Unimpaired Claim,

such dispute shall be determined, resolved or adjudicated pursuant to applicable non-bankruptcy law.

E. Subordinated Claims

Pursuant to section 510 of the Bankruptcy Code, the Debtor or the Reorganized Debtor, as applicable, reserve the right to re-classify any Allowed Claim or Allowed Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE IV.

ACCEPTANCE OR REJECTION OF THE PLAN

A. Presumed Acceptance of the Plan

Classes 1, 2, 4 and 5 are Unimpaired by the Plan and are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

B. Deemed Rejection of the Plan

Class 7 is Impaired by the Plan and is conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

C. Voting Classes

Each Holder of an Allowed Claim or Allowed Equity Interest in the Voting Classes as of the applicable Voting Record Date is entitled to vote to accept or reject the Plan.

D. Acceptance by Impaired Classes of Claims and Equity Interests

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

E. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

The Debtor may request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtor, with the consent of the Required Consenting Subordinated Noteholders, reserves the right to modify the Plan or the Disclosure Statement in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

ARTICLE V.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Corporate and Organizational Existence; Reorganized Capital Structure and the New AEH Common Units

The Reorganized Debtor shall continue to exist, pursuant to its organizational documents in effect prior to the Effective Date, except to the extent such organizational documents are amended by the Plan and pursuant to the Exchange Agreement, without any prejudice to any right to terminate such existence (whether by merger or otherwise) in accordance with applicable law after the Effective Date. To the extent such documents are amended on or prior to the Effective Date, 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.

On the Effective Date, the reorganized capital structure of Reorganized AEH shall consist of (i) the Seller Notes, (ii) New AEH Class A Common Units, (iii) New AEH Class B Common Units, (iv) New AEH Class C Common Units and (v) the New AEH Profits Interests Units and any other equity or other interests allocated pursuant to the MIP. The rights, priorities and restriction with respect to the New AEH Common Units shall be governed by the New AEH Operating Agreement.

At any time prior to the Effective Date, FRMH (or any of its designated affiliates) may contribute or otherwise transfer all or a portion of the Subordinated Notes held by FRMH (or such affiliates) to ARH and, following such transfer, ARH shall be deemed the Holder of such Subordinated Notes so transferred for all purposes hereunder.

B. Organizational Documents of the Reorganized Debtor

On the Effective Date, pursuant to the Exchange Agreement and the Plan, the New AEH Operating Agreement shall become effective and be deemed to amend and restate the Existing AEH Operating Agreement and each holder of New AEH Common Units shall be automatically deemed a party thereto and bound thereby in accordance with the terms of the Existing AEH Operating Agreement. To the extent necessary, the organizational documents of the Reorganized Debtor will (i) include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by section 1123(a)(6) of the Bankruptcy Code, and (ii) to the extent necessary or appropriate, include such provisions as may be needed to effectuate and consummate the Plan and the transactions contemplated herein. After the Effective Date, the Reorganized Debtor may amend and restate its certificate of incorporation, certificate of formation, limited liability company agreement, operating agreement, and bylaws, and other applicable organizational documents, as permitted by applicable law and pursuant to the terms contained therein.

C. Managers, Directors and Officers of Reorganized Debtor; Corporate Governance

The New AEH Board shall be selected in accordance with the New AEH Operating Agreement, effective as of the Effective Date. To the extent not previously disclosed, the Debtor will disclose prior to or at the Confirmation Hearing, the affiliations of each Person proposed to

serve on the New AEH Board or as an officer of the Reorganized Debtor, and, to the extent such Person is an insider other than by virtue of being a manager, director or officer, the nature of any compensation for such Person.

D. Issuance of New Securities and Related Documents

On the Effective Date, Reorganized AEH will be authorized to, and will, issue and execute, as applicable, the New AEH Common Units and related documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity subject to the terms of the Exchange Agreement and the Reorganized Debtor Governance Documents. Reorganized AEH may also agree, in its sole discretion, with each Holder of the Subordinated Notes that the closing of the transactions contemplated by the Exchange Agreement with respect to such Holder's Subordinated Notes will be deemed to have occurred within 24 hours of the Closing (as defined in the Exchange Agreement).

The issuance and distribution of the New AEH Common Units will be made in reliance on the exemption from registration under the Securities Act provided by section 1145(a) of the Bankruptcy Code, or section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, in each case to the extent applicable, and will be exempt from registration under applicable securities laws.

E. Management Incentive Plan

The MIP shall be adopted by the New AEH Board immediately after the Effective Date in accordance with the New AEH Operating Agreement.

F. Restructuring Transactions

Prior to, on, or after the Effective Date, and pursuant to the Plan, the Debtor, and/or the Reorganized Debtor, as applicable, shall implement the Restructuring Transactions. The Debtor and/or the Reorganized Debtor, as applicable, shall take any actions, as agreed to by the Required Consenting Subordinated Noteholders, as may be necessary or appropriate to effect a restructuring of the Debtor's business or the overall organization or capital structure consistent with the terms of this Plan and the Exchange Agreement. All matters provided for pursuant to the Plan that would otherwise require approval of the equity holders, managing members, members, managers, directors, or officers of the Debtor (as of or prior to the Effective Date) will be deemed to have been so approved and will be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law, the provisions of the Reorganized Debtor Governance Documents, and without any requirement of further action by the equity holders, managing members, members, managers, directors, or officers of the Debtor, or the need for any approvals, authorizations, actions or consents of any Person.

G. Vesting of Assets in the Reorganized Debtor

Except as provided elsewhere in the Plan, or in the Confirmation Order, on or after the Effective Date, all property and assets of the Estate (including Causes of Action and Avoidance Actions, but only to the extent such Causes of Action and Avoidance Actions have not been

waived or released pursuant to the terms of the Plan, pursuant to an order of the Bankruptcy Court, or otherwise) and any property and assets acquired by the Debtor pursuant to the Plan, will vest in the Reorganized Debtor, free and clear of all Liens or Claims. Except as may be otherwise provided in the Plan, on and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan, the Confirmation Order, or the Reorganized Debtor Governance Documents.

H. Release of Liens, Claims and Equity Interests

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, or Equity Interests in or against the property of the Estate will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. Any Entity holding such Liens, Claims, or Equity Interests will, if necessary, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtor such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtor and shall incur no liability to any Entity in connection with its execution and delivery of any such instruments.

I. Cancellation of Stock, Certificates, Instruments and Agreements

On the Effective Date, all stock, units, instruments, certificates, agreements and other documents evidencing the Existing AEH Equity Interests and Existing AEH Other Equity Interests (if any) will be cancelled, and the obligations of the Debtor thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person.

J. Preservation and Maintenance of Debtor Causes of Action

(i) Maintenance of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, except as otherwise provided in Article X or elsewhere in the Plan or the Confirmation Order, or in any contract, instrument, release, or other agreement entered into in connection with the Plan, on and after the Effective Date, the Reorganized Debtor shall retain any and all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including in an adversary proceeding filed in the Chapter 11 Case.

(ii) Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is (A) expressly waived, relinquished, released, compromised or settled in the Plan (including, and for the avoidance of doubt, the releases contained in Article X of the Plan) or any Final Order (including the Confirmation Order), or (B) subject to the discharge and injunction provisions in Article X of the Plan, and the Confirmation Order, in the case of each of clauses (A) and (B), the Debtor and the Reorganized Debtor, as applicable, expressly reserve such Cause of Action for later adjudication and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Causes of Action upon or after the Confirmation of the Plan or the Effective Date of the Plan based on the Plan or the Confirmation Order. No Entity may rely on the absence of a specific reference in the Plan, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtor or the Reorganized Debtor will not pursue any and all available Causes of Action against it. The Debtor and the Reorganized Debtor, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.

K. Exemption from Certain Transfer Taxes

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any transfers or mortgages from or by the Debtor to the Reorganized Debtor or any other Person or entity 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, sales or use tax, mortgage recording tax, or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Such exemption under section 1146(a) of the Bankruptcy Code specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, Lien, or other security interest; (2) the making or assignment of any lease or sublease; (3) any Restructuring Transaction; (4) the issuance, distribution, and/or sale of any of the New AEH Common Units and any other securities of the Debtor or the Reorganized Debtor; or (5) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation, or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

L. Distributions

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for the Debtor or Reorganized Debtor to make payments required pursuant to the Plan will be paid from the Cash balances of the Debtor, Reorganized Debtor or Non-Debtor Subsidiaries (subject to the terms of the Non-Debtor Subsidiaries' loan agreements). Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtor, as applicable, or any designated Affiliates of the Reorganized Debtor on its behalf.

ARTICLE VI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, or unless such Executory Contract or Unexpired Lease (1) expired or terminated pursuant to its own terms before the Effective Date or (2) is the subject of a motion to reject filed on or before the Effective Date, as of the Effective Date, the Debtor shall be deemed to have assumed each Executory Contract and Unexpired Lease to which it is a party in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code.

Without amending or altering any prior order of the Bankruptcy Court, entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such assumptions pursuant to sections 365(a) and 1123 of the Bankruptcy Code. All Assumed Agreements shall remain in full force and effect for the benefit of the Reorganized Debtor, and be enforceable by the Reorganized Debtor in accordance with their terms notwithstanding any provision in such Assumed Agreement that prohibits, restricts or conditions assumption, assignment or transfer. Any provision of any Assumed Agreement that permits a person to terminate or modify such agreement or to otherwise modify the rights of the Debtor or the Reorganized Debtor, as applicable, based on the filing of the Chapter 11 Case or the financial condition of the Debtor or the Reorganized Debtor, as applicable, shall be unenforceable. 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 Debtor's assumption of such Executory Contract or Unexpired Lease, then such provision will be deemed modified such that the transactions contemplated by the Plan will not entitle the non-Debtor party or parties thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Each Assumed Agreement will revest in and be fully enforceable by the Reorganized Debtor 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. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the applicable Cure amount in Cash, on the later of (1) the Effective Date and (2) the date such payment is due pursuant to the terms of the Assumed Agreement, in the amount set forth on the Schedule of Proposed Cure Amounts, or on such other terms as the parties to such Executory Contract or Unexpired Lease may otherwise agree. If an Executory Contract or Unexpired Lease is not listed on the Schedule of Proposed Cure Amounts, the proposed Cure amount for such Executory Contract or Unexpired Lease shall be zero dollars.

Any objection by a counterparty to the Cure amount associated with any Executory Contract or Unexpired Lease to be assumed pursuant to the Plan must be filed, served and actually received by the Debtor by no later than seven (7) days prior to the date of the Confirmation Hearing.[3] Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption or Cure amount will be deemed to have assented thereto and will be deemed to have forever released and waived any objection to the proposed assumption or Cure amount. In the event of a dispute regarding (1) the Cure amount, (2) the ability of the Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or (3) any other matter pertaining to assumption, the applicable Cure payments required by section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. **Any proof of claim filed with respect to an Executory Contract or Unexpired Lease that is assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.**

C. Assumption of Insurance Policies

Notwithstanding anything in the Plan to the contrary, all of the Debtor's insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, the Debtor shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto, including all D&O Liability Insurance Policies (including any obligations to obtain tail coverage liability insurance due to the change in control triggered on the Effective Date). Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtor's assumption of all such insurance policies, including the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of insurance policies, including the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtor under the Plan as to which no proof of claim need be filed, and shall survive the Effective Date.

After the Effective Date, the Reorganized Debtor shall not terminate or otherwise reduce, modify or restrict in any way, the coverage under any D&O Liability Insurance Policy (including such tail coverage liability insurance) in effect as of the Effective Date, and all members, managers, directors, and officers of the Debtor who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy (and all tail coverage related thereto) regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date.

[3] Immediately upon the commencement of the Chapter 11 Case, the Debtor will file any objections received by the Debtor prior to the commencement of the Chapter 11 Case on the Bankruptcy Court's docket on behalf of the objecting party.

D. Indemnification

The indemnification provisions in any Indemnification Agreement with respect to or based upon any act or omission taken or omitted by an indemnified party in such indemnified party's capacity under such Indemnification Agreement will be Reinstated (or assumed, as the case may be) and will survive effectiveness of the Plan.

E. Reservation of Rights

Except with respect to the Subordinated Notes Transaction Support Letter and the Seller Notes Transaction Support Letter, nothing contained in the Plan shall constitute an admission by the Debtor, Reorganized Debtor, or any other party that any contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtor or Reorganized Debtor have 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, the Debtor or Reorganized Debtor, as applicable, shall have thirty (30) calendar days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease, including by rejecting such contract or lease *nunc pro tunc* to the Confirmation Date.

ARTICLE VII.

PROVISIONS GOVERNING DISTRIBUTIONS

A. Distribution Record Date

Distributions hereunder to the Holders of Allowed Claims shall be made to the Holders of such Claims as of the Distribution Record Date. Any transfers of Claims after the Distribution Record Date shall not be recognized for purposes of the Plan unless otherwise provided herein. Distributions to the Subordinated Noteholders shall be made in accordance with the Exchange Agreement and distributions to the Holders of Existing AEH Common Equity Interests shall be made in accordance with the Exchange Agreement and the New AEH Operating Agreement.

B. Dates of Distributions

Except as otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided herein. In the event that any payment or act under the Plan is required to be made or performed on a date that is not on a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for therein, regardless of whether distributions are delivered on or at any time after the Effective Date. For the avoidance of doubt, Holders of Seller Note Claims are not subject to Article VII.B of the Plan.

C. Distribution Agent

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Distribution Agent. All distributions to the Holders of the Subordinated Note Claims shall be made pursuant to the Exchange Agreement.

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) empower professionals to represent it with respect to its responsibilities, and (d) exercise such other powers as are necessary and proper to implement the provisions hereof. If the Distribution Agent is an entity other than the Reorganized Debtor, such entity shall be paid its reasonable fees and expenses, including the reasonable fees and expenses of its attorneys or other professionals.

D. 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 Debtor, except that Cash payments made to foreign Holders of Claims or Equity Interests, if any, may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

E. Allocation Between Principal and Interest

Distributions to any Holder of an Allowed Claim shall be allocated first to the principal amount of any such Allowed Claim, and then, to the extent the consideration exceeds such amount, to the remainder of such Claim comprising interest accrued through the Effective Date, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim). For the avoidance of doubt, Holders of Seller Note Claims are not subject to Article VII.E of the Plan.

F. Withholding Taxes

Pursuant to section 346(f) of the Bankruptcy Code, the Reorganized Debtor shall comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities and shall be entitled to deduct any federal, state or local withholding taxes from any distributions made with respect to Allowed Claims, as appropriate. From and as of the Effective Date, the Reorganized Debtor shall comply with all reporting obligations imposed on them by any Governmental Unit in accordance with applicable law with respect to such withholding taxes. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtor 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. As a condition to receiving any distribution under the Plan, the Reorganized Debtor may require that the Holder of an Allowed Claim entitled to receive a distribution pursuant to the Plan provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Reorganized Debtor to comply with applicable tax reporting and withholding laws.

Notwithstanding the foregoing, each Holder of an Allowed Claim or Allowed Equity Interest that is to receive a distribution hereunder shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Unit, including income, withholding and other tax obligations, on account of such distribution.

G. Surrender of Canceled Instruments or Securities

Except as otherwise provided herein, as a condition precedent to receiving any distribution on account of its Allowed Claim or Allowed Equity Interest, each Holder of an Allowed Claim or Allowed Equity Interest in the Voting Classes based upon an instrument or other security shall be deemed to have surrendered such instrument, security or other documentation underlying such Claim or Equity Interest and all such surrendered instruments, securities and other documentation shall be deemed canceled pursuant to Article V.L of the Plan.

ARTICLE VIII.

CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

A. Conditions to Effective Date

Effectiveness of the Plan is subject to the satisfaction of each of the following conditions precedent:

(i) The Confirmation Order shall have been entered and shall not be subject to a stay.

(ii) The Exchange Agreement shall be in full force and effect, all conditions to the effectiveness thereof shall have been satisfied or waived in accordance with the terms thereof (other than the occurrence of the Effective Date) and the Exchange Agreement shall be consummated contemporaneously with the satisfaction of the other conditions to the Effective Date.

(iii) The Subordinated Notes Transaction Support Letter shall be in full force and effect as to (i) Holders of Subordinated Note Claims that hold at least 66.67% in amount and more than 50% in number of the Subordinated Note Claims that have accepted or rejected the Plan and (ii) Holders of Existing AEH Common Equity Interests that hold at least 66.67% in amount of Existing AEH Common Equity Interests that have accepted or rejected the Plan.

B. Waiver of Conditions

The conditions to the Effective Date of the Plan set forth in this Article VIII may be waived only if waived in writing by the Debtor and the Required Consenting Subordinated Noteholders; *provided*, that the condition requiring that the Confirmation Order shall have been entered by the Bankruptcy Court may not be waived.

ARTICLE IX.

RETENTION OF JURISDICTION

A. Retention of Jurisdiction

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Debtor and the Plan as is legally permissible, including jurisdiction to:

(i) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of any Claim or Equity Interest;

(ii) grant or deny any applications for allowance of Professional Fee Claims;

(iii) resolve any matters related to the assumption of any Executory Contract or Unexpired Lease to which the Debtor is party;

(iv) resolve any issues related to any matters adjudicated in the Chapter 11 Case;

(v) ensure that distributions to Holders of Allowed Claims and Allowed Equity Interests are accomplished pursuant to the provisions of the Plan;

(vi) decide or resolve any motions, adversary proceedings, contested or litigated matters and any other Causes of Action that are pending in the Chapter 11 Case as of the Effective Date or that may be commenced in the future, and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtor after the Effective Date; *provided*, that the Reorganized Debtor shall reserve the right to commence actions in all appropriate forums and jurisdictions;

(vii) resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan, the Confirmation Order, and all orders previously entered into by the Bankruptcy Court, or any Entity's obligations incurred in connection with the Plan;

(viii) issue and enforce injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;

(ix) enforce the terms and condition of the Plan and the Confirmation Order;

(x) resolve any cases, controversies, suits or disputes with respect to the releases, the exculpations, the indemnification provisions and other provisions contained in Article X hereof and enter such orders or take such others actions as may be necessary or appropriate to

implement, enforce, or determine the scope of all such releases, exculpations, injunctions and other provisions;

(xi) enter and implement such orders or take such others actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

(xii) resolve any cases, controversies, suits or disputes that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture or other agreement or document adopted or entered into in connection with the Plan or the Disclosure Statement;

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

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

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

(xvi) enter an order closing the Chapter 11 Case.

As of the Effective Date, notwithstanding anything in this Article IX to the contrary, the Exchange Agreement, the New AEH Operating Agreement, and the other Reorganized Debtor Governance Documents shall be governed by the respective jurisdictional provisions therein.

B. Failure of Bankruptcy Court to Exercise Jurisdiction

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter, including the matters set forth in Article IX.A of the Plan, the provisions of this Article IX shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE X.

EFFECTS OF CONFIRMATION

A. General Settlement of Claims

Pursuant to section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made on account of such Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Claims, Equity Interests, and controversies, as well as a

finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtor, its Estate, the Reorganized Debtor and Holders of Claims and Equity Interests and is fair, equitable, and reasonable.

B. Binding Effect

ON THE EFFECTIVE DATE, AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE PLAN WILL BIND, AND WILL BE DEEMED BINDING UPON, ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR, AND EACH HOLDER'S RESPECTIVE SUCCESSORS AND ASSIGNS, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT ANY SUCH HOLDER (I) WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, (II) HAS FILED A PROOF OF CLAIM OR EQUITY INTEREST IN THE CHAPTER 11 CASE OR (III) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR AFFIRMATIVELY VOTED TO REJECT THE PLAN.

C. Discharge of the Debtor

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by the Plan or the Confirmation Order, and effective as of the Effective Date: (i) the rights afforded herein and the treatment of all Claims and Equity Interests herein will be in exchange for and in complete satisfaction, settlement, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor or any of its assets, property, or Estate; (ii) the Plan will bind all Holders of Claims and Equity Interests, notwithstanding whether any such Holders abstained from voting to accept or reject the Plan or voted to reject the Plan; (iii) all Claims and Equity Interests will be satisfied, discharged, and released in full, and the Debtor's liability with respect thereto will be extinguished completely, including any liability of the kind specified under section 502(g), 502(h) or 502(i) of the Bankruptcy Code; and (iv) except as otherwise expressly provided for in the Plan, all Entities will be precluded from asserting against, derivatively on behalf of, or through, the Debtor, the Debtor's Estate, the Reorganized Debtor, each of their successors and assigns, and each of their assets and properties, any other Claims or Equity Interests based upon any documents, instruments or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

D. Exculpation and Limitation of Liability

To the maximum extent permitted under applicable non-bankruptcy law, the Exculpated Parties will neither have nor incur any liability to any Entity for any claims or Causes of Action arising before, on or after the Petition Date and prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, filing, disseminating, implementing, administering, confirming or effecting the consummation of the Chapter 11 Case, the Plan, the Disclosure Statement, the Exchange Agreement, the Subordinated Notes Transaction Support Letter, the Seller Notes Transaction Support Letter, the New AEH Common Units, the Reorganized Debtor Governance Documents, or any other

contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor, the approval of the Disclosure Statement, or Confirmation or consummation of the Plan; *provided*, *however*, that the foregoing provisions will have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order of the Bankruptcy Court or other court of competent jurisdiction to have constituted fraud, gross negligence, or willful misconduct, but in all respects each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan.

E. Releases by the Debtor

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, EFFECTIVE AS OF THE EFFECTIVE DATE AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTOR AND ITS ESTATE SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER, RELEASED AND DISCHARGED THE RELEASED PARTIES FROM ANY AND ALL CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS, WHETHER KNOWN OR UNKNOWN, ASSERTED OR UNASSERTED, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, FRAUD, CONTRACT, VIOLATIONS OF FEDERAL OR STATE LAWS OR OTHERWISE, INCLUDING AVOIDANCE ACTIONS, THOSE CAUSES OF ACTION BASED ON VEIL PIERCING OR ALTER-EGO THEORIES OF LIABILITY, CONTRIBUTION, INDEMNIFICATION, JOINT LIABILITY OR OTHERWISE THAT THE DEBTOR OR THE DEBTOR'S ESTATE WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTOR, THE DEBTOR'S RESTRUCTURING, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND EQUITY INTERESTS PRIOR TO OR DURING THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION, OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE SUBORDINATED NOTES TRANSACTION SUPPORT LETTER, THE SELLER NOTES TRANSACTION SUPPORT LETTER, THE EXCHANGE AGREEMENT, THE REORGANIZED DEBTOR GOVERNANCE DOCUMENTS, THE NEW AEH COMMON UNITS OR ANY RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, THE PURSUIT OF CONFIRMATION, ANY ACTION OR ACTIONS TAKEN IN FURTHERANCE OF OR CONSISTENT WITH THE ADMINISTRATION OR IMPLEMENTATION OF THE PLAN OR THE DISTRIBUTION OF THE NEW AEH COMMON UNITS AND

RELATED DOCUMENTS OR OTHER PROPERTY UNDER THE PLAN, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE ARISING FROM OR RELATING TO ANY OF THE FOREGOING, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES ACTUAL FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE; *PROVIDED, HOWEVER*, THAT THE FOREGOING PROVISIONS OF THIS RELEASE (I) SHALL OPERATE TO WAIVE AND RELEASE ONLY THOSE CAUSES OF ACTION EXPRESSLY SET FORTH IN AND RELEASED BY THE PLAN AND (II) SHALL NOT OPERATE TO WAIVE AND RELEASE THE RIGHTS OF THE DEBTOR OR THE REORGANIZED DEBTOR TO ENFORCE THE PLAN, THE EXCHANGE AGREEMENT, THE CONFIRMATION ORDER, THE REORGANIZED DEBTOR GOVERNANCE DOCUMENTS, THE NEW AEH COMMON UNITS OR ANY RELATED AGREEMENTS, INSTRUMENTS AND OTHER DOCUMENTS DELIVERED UNDER OR IN CONNECTION WITH THE PLAN OR ASSUMED OR REINSTATED PURSUANT TO THE PLAN OR FINAL ORDER OF THE BANKRUPTCY COURT; *PROVIDED, FURTHER, HOWEVER,* THE NON-DEBTOR SUBSIDIARIES SHALL NOT BE DEEMED RELEASED PARTIES FOR PURPOSES OF THIS ARTICLE X.E.

F. Releases by Holders of Claims and Equity Interests.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, EFFECTIVE AS OF THE EFFECTIVE DATE AND TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR AND ITS ESTATE AND THE RELEASED PARTIES, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, EACH OF THE RELEASING PARTIES SHALL BE DEEMED TO HAVE CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER, RELEASED AND DISCHARGED THE DEBTOR AND ITS ESTATE AND THE RELEASED PARTIES FROM ANY AND ALL CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR OR THE DEBTOR'S ESTATE, WHETHER KNOWN OR UNKNOWN, ASSERTED OR UNASSERTED, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, WHETHER FOR TORT, FRAUD, CONTRACT, VIOLATIONS OF FEDERAL OR STATE LAWS OR OTHERWISE, INCLUDING AVOIDANCE ACTIONS, THOSE CAUSES OF ACTION BASED ON VEIL PIERCING OR ALTER-EGO THEORIES OF LIABILITY, CONTRIBUTION, INDEMNIFICATION, JOINT LIABILITY OR OTHERWISE THAT ANY SUCH RELEASING PARTY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTOR, THE DEBTOR'S RESTRUCTURING, THE RESTRUCTURING TRANSACTIONS, THE CHAPTER 11 CASE, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THE PLAN,

THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR OR ANY RELEASED PARTY, ON ONE HAND, AND ANY RELEASING PARTY, ON THE OTHER HAND, THE RESTRUCTURING OF CLAIMS AND EQUITY INTERESTS PRIOR TO OR DURING THE CHAPTER 11 CASE, THE NEGOTIATION, FORMULATION, OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, THE SUBORDINATED NOTES TRANSACTION SUPPORT LETTER, THE SELLER NOTES TRANSACTION SUPPORT LETTER, THE EXCHANGE AGREEMENT, THE REORGANIZED DEBTOR GOVERNANCE DOCUMENTS, THE NEW AEH COMMON UNITS AND/OR ANY RELATED AGREEMENTS, INSTRUMENTS, OR OTHER DOCUMENTS, THE PURSUIT OF CONFIRMATION, ANY ACTION OR ACTIONS TAKEN IN FURTHERANCE OF OR CONSISTENT WITH THE ADMINISTRATION OR IMPLEMENTATION OF THE PLAN OR THE DISTRIBUTION OF THE NEW AEH COMMON UNITS, OR OTHER PROPERTY UNDER THE PLAN, UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE ARISING FROM OR RELATING TO ANY OF THE FOREGOING, OTHER THAN CLAIMS OR LIABILITIES ARISING OUT OF OR RELATING TO ANY ACT OR OMISSION OF A RELEASED PARTY THAT CONSTITUTES ACTUAL FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE; *PROVIDED, HOWEVER,* THAT THE FOREGOING PROVISIONS OF THIS RELEASE (I) SHALL OPERATE TO WAIVE AND RELEASE ONLY THOSE CAUSES OF ACTION EXPRESSLY SET FORTH IN AND RELEASED BY THE PLAN AND (II) SHALL NOT OPERATE TO WAIVE AND RELEASE THE RIGHTS OF THE RELEASING PARTIES TO ENFORCE THE PLAN, THE CONFIRMATION ORDER, THE EXCHANGE AGREEMENT, THE REORGANIZED DEBTOR GOVERNANCE DOCUMENTS, THE NEW AEH COMMON UNITS OR ANY RELATED AGREEMENTS, INSTRUMENTS, AND OTHER DOCUMENTS DELIVERED UNDER OR IN CONNECTION WITH THE PLAN OR ASSUMED OR REINSTATED PURSUANT TO THE PLAN OR FINAL ORDER OF THE BANKRUPTCY COURT; *PROVIDED, FURTHER, HOWEVER,* THE NON-DEBTOR SUBSIDIARIES SHALL NOT BE DEEMED A RELEASING PARTY AS TO THE DEBTOR FOR PURPOSES OF THIS ARTICLE X.F; AND, *PROVIDED FURTHER, HOWEVER,* NEITHER LR-MOUNTAINEER HOLDINGS, L.P. NOR ANY RELATED PARTY WITH RESPECT TO LR-MOUNTAINEER HOLDINGS, L.P., IN ITS CAPACITY AS SUCH OR IN ITS CAPACITY AS SELLER NOTE AGENT, SHALL BE DEEMED A RELEASING OR A RELEASED PARTY UNDER THIS ARTICLE X.F OR A RELEASED PARTY UNDER ARTICLE X.E. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, NOTHING IN THE PLAN OR ANY DOCUMENT EXECUTED OR TRANSACTION ENTERED INTO IN CONNECTION WITH THE PLAN OR THE RESTRUCTURING TRANSACTIONS SHALL RELEASE ANY CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES WHATSOEVER UNDER THE JOINT DEVELOPMENT AGREEMENT OR THAT IOG RESOURCES LLC MAY HAVE AGAINST ANY ENTITY, AND ALL SUCH CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES,

AND LIABILITIES WHATSOEVER ARE FULLY RESERVED AND PRESERVED IN ALL RESPECTS.

G. Injunction

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, AS OF THE EFFECTIVE DATE, ALL PERSONS OR ENTITIES THAT HAVE HELD, CURRENTLY HOLD OR MAY HOLD A CLAIM THAT IS DISCHARGED OR AN EQUITY INTEREST THAT IS TERMINATED PURSUANT TO THE TERMS OF THE PLAN ARE PERMANENTLY ENJOINED AND PRECLUDED FROM TAKING ANY OF THE FOLLOWING ACTIONS ON ACCOUNT OF ANY SUCH DISCHARGED CLAIMS OR TERMINATED EQUITY INTERESTS OR RIGHTS: (I) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, WHETHER DIRECTLY, DERIVATIVELY OR OTHERWISE, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTION OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST ANY RELEASED PARTY (OR PROPERTY OR ESTATE OF ANY RELEASED PARTY) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION OR LIABILITIES, AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR OR THEIR RESPECTIVE PROPERTY; (II) ENFORCING, ATTACHING, COLLECTING OR RECOVERING IN ANY MANNER ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR OR THEIR RESPECTIVE PROPERTY ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (III) CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM OR ENCUMBRANCE AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR OR THEIR RESPECTIVE PROPERTY ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (IV) ASSERTING A SETOFF, RIGHT OF SUBROGATION OR RECOUPMENT OF ANY KIND AGAINST ANY DEBT, LIABILITY OR OBLIGATION DUE TO THE DEBTOR OR THE REORGANIZED DEBTOR OR THEIR RESPECTIVE PROPERTY, *PROVIDED*, THAT ANY RIGHTS OF SETOFF AND RECOUPMENT OF ANY ENTITY OR PERSON ARE PRESERVED FOR THE PURPOSE OF ASSERTING SUCH RIGHTS AS A DEFENSE TO ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTOR OR ITS ESTATE REGARDLESS OF WHETHER SUCH ENTITY OR PERSON IS THE HOLDER OF AN ALLOWED CLAIM; AND (V) COMMENCING OR CONTINUING ANY ACTION, ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED, SETTLED OR COMPROMISED PURSUANT TO THE PLAN, THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, THE PLAN SHALL NOT ENJOIN, OR BE DEEMED TO ENJOIN, ANY PARTY (INCLUDING IOG RESOURCES LCC)

FROM ASSERTING ANY CLAIMS, EQUITY INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES, AND LIABILITIES ARISING UNDER THE JOINT DEVELOPMENT AGREEMENT.

H. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtor 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 Debtor, or another Entity with whom the Reorganized Debtor has been associated, solely because the Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Case (or during the Chapter 11 Case but before the Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Case.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

A. Modification of Plan

Subject in all respects to the limitations in the Subordinated Notes Transaction Support Letter, the Seller Notes Transaction Support Letter, and this Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend, supplement, amend and restate, or otherwise modify the Plan prior to the entry of the Confirmation Order; (b) after the entry of the Confirmation Order, the Debtor or the Reorganized Debtor, as applicable, may, after notice and hearing and entry of an order of the Bankruptcy Court, amend, supplement, amend and restate, or otherwise modify the Plan in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan; and (c) a Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as amended, supplemented, amended and restated, or otherwise modified, if the proposed amendment, supplement, amendment and restatement, or other modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Holder, or release any claims or liabilities reserved by such Holder under the Plan. Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019. Prior to the Effective Date, the Debtor may make appropriate technical adjustments to the Plan without further order or approval of the Bankruptcy Court; *provided*, that such technical adjustments or modifications shall be reasonably satisfactory to the Required Consenting Subordinated Noteholders and the Consenting Seller Noteholders.

B. Revocation of Plan

The Debtor, with the prior written consent of the Required Consenting Subordinated Noteholders and the Consenting Seller Noteholders, reserves the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent chapter 11 plans, but without prejudice to the respective parties' rights under the Subordinated Notes Transaction Support Letter and the Seller Notes Transaction Support Letter. If the Debtor revokes or withdraws the Plan, or if Confirmation or consummation of the Plan does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan and any document or agreement executed pursuant hereto shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtor or any other Entity; (b) prejudice in any manner the rights of the Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by the Debtor or any other Entity.

C. Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of the Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will 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 will then be applicable as altered or interpreted and the Debtor, with the consent of the Required Consenting Subordinated Noteholders and the Consenting Seller Noteholders, may amend, supplement, amend and restate, or otherwise modify the Plan to correct the defect, by amending or deleting the offending provision or otherwise, or may withdraw the Plan. Notwithstanding any such holding of the Bankruptcy Court, 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 will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

D. Successors and Assigns

The rights, benefits and obligations of any Person or Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of that Person or Entity.

E. Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Case, either by virtue of sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, shall remain in full force and effect until the Effective Date has occurred.

F. Reservation of Rights

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

G. Notices

Any notice, request, or demand required or permitted to be made or provided to or upon the Debtor or the Consenting Subordinated Noteholders under the Plan shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) facsimile transmission or (e) email transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile or email transmission, upon confirmation of transmission, addressed as follows:

If to the Debtor:

Arsenal Energy Holdings LLC
6031 Wallace Road Ext., Suite 3000
Wexford, PA 15090
Attn: Craig Lavender, Esq. (clavender@arsenalresources.com)
Fax: (800) 428-0981

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

Counsel to the Debtor

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attn: Michael H. Torkin, Esq. (michael.torkin@stblaw.com)
Kathrine A. McLendon (kmclendon@stblaw.com)
Nicholas E. Baker, Esq. (nbaker@stblaw.com)
Fax: (212) 455-2502

– and –

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, DE 19801
Attn: Pauline K. Morgan, Esq. (pmorgan@ycst.com)
Kara Hammond Coyle, Esq. (kcoyle@ycst.com)
Ashley E. Jacobs, Esq. (ajacobs@ycst.com)

Fax: (302) 571-1253

If to the Consenting Subordinated Noteholders:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attn: Sean A. O'Neal, Esq. (soneal@cgsh.com)
Humayun Khalid, Esq. (hkhalid@cgsh.com)
Fax: (212) 225-3999

To Counsel to Mercuria:

Vinson & Elkins LLP
666 Fifth Avenue, 25th Floor
New York, NY 10103
Attn: David S. Meyer, Esq. (dmeyer@velaw.com)
Garrick C. Smith, Esq. (gsmith@velaw.com)
Fax: (917) 849-5358

H. Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

I. Exhibits

All exhibits and schedules to the Plan, including the Exhibits, are incorporated and are a part of the Plan as if set forth in full herein.

J. Conflicts

In the event of a conflict between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of a conflict between the Confirmation Order and the Plan, the Confirmation Order shall control.

K. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, the Holders of Claims and Equity Interests, the Released Parties, and each of their respective successors and assigns.

L. Entire Agreement

On the Effective Date, this Plan, and the Confirmation Order shall supersede 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.

M. Reservation of Rights

Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provision of this Plan, or the taking of any action by the Debtor with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtor with respect to any Claims or Equity Interests prior to the Effective Date.

[Remainder of page intentionally left blank]

January 9, 2019

ARSENAL ENERGY HOLDINGS LLC
/s/ Jonathan D. Farmer
Name: Jonathan D. Farmer
Title: Chief Executive Officer

Exhibit A

Form of Exchange Agreement

EXCHANGE AGREEMENT

by and among

Arsenal Energy Holdings LLC,

each of the Purchasers identified herein

and,

solely for purposes of Section 2.3(c) and Section 5.6 hereof,

each of the Members identified herein

dated as of [●], 2019

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Exhibit D Form of Affidavit of Loss
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Exhibit F Form of Legal Opinion of Simpson Thacher & Bartlett LLP
Exhibit G Form of Purchaser Closing Certificate
Exhibit H Form of Company Closing Certificate

EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (this "Agreement") is dated as of [●], 2019 and is entered into by and among Arsenal Energy Holdings LLC (formerly known as Mountaineer Energy Holdings, LLC), a Delaware limited liability company (the "Company"), each of the Purchasers identified on Schedule A hereto, and, solely for purposes of Section 2.3(c) and Section 5.6 hereof, each of the members of the Company identified on Schedule B hereto (the "Members"). All capitalized terms used herein but not defined shall have the meaning set forth in the Note and Warrant Purchase Agreement (as defined below).

INTRODUCTION

A. The Company and each of the purchasers (such purchasers, together with their transferees and assigns, if any, "Purchasers") of subordinated unsecured notes (the "Notes") and warrants (the "Warrants") are party to one or more of (a) the Note and Warrant Purchase Agreement, dated as of July 29, 2014 (as amended, supplemented or otherwise modified from time to time, the "2014 Note and Warrant Purchase Agreement"), (b) the Note and Warrant Purchase Agreement, dated as of November 10, 2016 (as amended, supplemented or otherwise modified from time to time, the "2016A Note and Warrant Purchase Agreement"), and (c) the Note and Warrant Purchase Agreement, dated as of December 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "2016B Note and Warrant Purchase Agreement" and, together with the 2014 Note and Warrant Purchase Agreement and the 2016A Note and Warrant Purchase Agreement, the "Note and Warrant Purchase Agreement").

B. The Note and Warrant Purchase Agreement has previously been amended by (a) Amendment No. 1 to Note and Warrant Purchase Agreement, dated as of September 26, 2014, (b) Waiver and Amendment No. 2 to Note and Warrant Purchase Agreement, dated as of November 10, 2016, and (c) Waiver and Amendment No. 3 to Note and Warrant Purchase Agreement, dated as of March 16, 2017, entered into, in each case, by the Company and the Purchasers party thereto.

C. The Company, ARH, certain of the Purchasers and certain of the Members have entered into the Restructuring Transaction Support Letter to facilitate the consummation of the transactions contemplated by this Agreement, including by voting in favor of the AEH Plan of Reorganization to implement this Agreement if the AEH Restructuring Cases are commenced.

D. [Pursuant to the AEH Plan of Reorganization, each Purchaser [and each Member] is deemed party to and bound by this this Agreement as of the effective date of the AEH Plan of Reorganization, regardless of whether such Purchaser [or Member] submits a signature page hereto.][1]

E. [The effective date of the AEH Plan of Reorganization occurred on [_____]. 2019.]

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[1] Bracketed language to be included if AEH Restructuring Cases are commenced.

F. In exchange for the surrender and cancelation by Purchasers of all of the outstanding Notes, and on the terms and conditions set forth herein, the Company shall issue to Purchasers Class A common units (the "Class A Common Units") of the Company.

In consideration of the mutual terms, conditions and other covenants and agreements set forth herein, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"2014 Note and Warrant Purchase Agreement" has the meaning given in the introduction.

"2016A Note and Warrant Purchase Agreement" has the meaning given in the introduction.

"2016B Note and Warrant Purchase Agreement" has the meaning given in the introduction.

"Action" means any action (at law or in equity), claim, litigation, suit, arbitration, hearing, audit, review, inquiry, proceeding or investigation.

"AEH Plan of Reorganization" means a plan of reorganization with respect to the Company and ARH substantially in the form attached as Exhibit B to the Restructuring Transaction Support Letter.

"AEH Restructuring" means the restructuring of the Notes and the equity interests of the Company in a manner consistent with this Agreement.

"AEH Restructuring Cases" means the chapter 11 cases of the Company and ARH that may be filed in the United States Bankruptcy Court for the District of Delaware to effectuate the AEH Restructuring pursuant to the terms of the Restructuring Transaction Support Letter.

"Affidavit of Loss" has the meaning given in Section 2.3(a)(ii).

"Affiliate" of a Person means any other Person that directly or indirectly Controls, is Controlled by or is under common Control with such Person.

"Agreement" has the meaning given in the preamble.

"ARD Term Loan Credit Agreement" means a Credit Agreement, entered into among Arsenal Resources Development Holdings 1, LLC, as borrower, Chambers Energy Management, LP, as administrative agent, and the lenders and other parties party thereto from time to time (as amended, restated, supplemented, waived, replaced or amended and restated with the approval of the management committee of the Company and the other parties thereto). The ARD Term Loan Credit Agreement as in effect on the date hereof is attached hereto as Exhibit A.

"ARH" means Arsenal Resources Holdings LLC, a Delaware limited liability company.

"Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Houston, Texas are required or authorized to be closed.

"Class A Common Units" has the meaning given in the introduction.

"Closing" has the meaning given in Section 2.2.

"Closing Date" has the meaning given in Section 2.2.

"Code" means the Internal Revenue Code of 1986, and the rules and regulations promulgated thereunder, as amended from time to time.

"Company" has the meaning given in the preamble.

"Company Material Adverse Effect" means any change, event, development or effect that has had, or is reasonably likely to have, a material adverse effect on the ability of the Company to consummate the transactions contemplated by this Agreement.

"Company Operating Agreement" has the meaning given in Section 2.3(a)(iv).

"Company Released Claim/Liability" has the meaning given in Section 5.2(a).

"Company Released Parties" has the meaning given in Section 5.2(b).

"Company Releasors" has the meaning given in Section 5.2(a).

"Contract" means any oral or written agreement, instrument, contract, undertaking, arrangement, mortgage, indenture, lease, license or other understanding.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Embargoed Person" means any Person subject to trade restrictions administered by OFAC, including OFAC sanctions programs implemented under the International Emergency Economic Powers Act, 50 U.S.C. §§1701, et seq., The Trading with the Enemy Act, 50 U.S.C. §§ App. 1, et seq., any foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended), or any enabling legislation or regulations promulgated thereunder or any executive order relating thereto (including Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079 (2001)) or 31 C.F.R. §594.101, et seq.) with the result that a purchase of assets or any other transaction entered into by such Person with respect to any assets, whether directly or indirectly, is prohibited by or in violation of U.S. law.

"End Date" has the meaning given in Section 7.1(b).

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital stock or other equity interests, partnership, membership or limited liability company interests in a partnership or limited liability company, or any other ownership interest or equity participation that confers on a Person the right to receive a share of the profits and losses, or distributions of assets, of the issuing Person, or options or warrants to obtain any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, and the rules and regulations promulgated thereunder, as amended from time to time.

"Governmental Authority" means any foreign, United States, international, multi-national, supra-national, federal, state or local (or any subdivision thereof) governmental, regulatory or administrative agency, authority, bureau, commission, branch, department or similar body or instrumentality thereof, or any court, panel, tribunal, or judicial or arbitral body.

"Joint Development Agreement" means a joint development agreement, entered into between certain Subsidiaries of the Company and IOG Resources, LLC (or an Affiliate thereof) relating to the funding of the development of certain assets located in Barbour, Harrison and Taylor Counties, West Virginia which are owned by certain Subsidiaries of the Company (as amended, restated, supplemented, waived, replaced or amended and restated with the approval of the management committee of the Company and the other parties thereto). The Joint Development Agreement as in effect on the date hereof is attached hereto as Exhibit B.

"Legal Requirement" means all treaties, statutes, codes, ordinances, decrees, rules, regulations, standards, municipal by-laws, judicial or arbitral or administrative or regulatory judgments, Orders, injunctions, decisions, rulings or awards or other requirement of any Governmental Authority and including general principles of common law and equity, binding on or affecting the Person referred to in the context in which such word is used.

"Liability" means any debt, obligation or liability of any kind, nature, character, description or basis whatsoever (including any of the foregoing existing or arising under any Contract or imposed by operation of law), whether known or unknown, anticipated or unanticipated, accrued or unaccrued, fixed or unfixed, certain or uncertain, non-contingent or contingent, liquidated or unliquidated, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, now existing, choate or inchoate, developed or undeveloped, discovered or undiscovered, or otherwise.

"Lien" means any lien, charge, claim, pledge, security interest, conditional sale agreement or other title retention agreement, mortgage, security agreement, right of first refusal, right to acquire, right of pre-emption, option, restrictive covenant, right-of-way, easement or other encumbrance (including the filing of, or agreement to give, any financing statement under the Uniform Commercial Code, as amended (and any successor thereto) or any other Legal Requirement of any jurisdiction) or other security interest or any other agreement or arrangement having a similar effect or any agreement to create any of the foregoing.

"Liquidation Value" has the meaning given in Section 2.5.

"Members" has the meaning given in the preamble.

"Non-Party Affiliates" has the meaning given in Section 8.18.

"Note and Warrant Purchase Agreement" has the meaning given in the introduction.

"Noteholder" means a Purchaser that is a holder of Notes.

"Notes" has the meaning given in the introduction.

"OFAC" means the U.S. Treasury Department's Office of Foreign Assets Control.

"Order" means any preliminary or permanent injunction or other order or decree of a Governmental Authority of competent jurisdiction.

"Permit" means any franchise, approval, permit, consent, qualification, certification, authorization, license, Order, registration, certificate, exemption, variance or other similar permit, right or authorization from any Governmental Authority and all pending applications therefor.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" includes (a) an employee benefit plan (within the meaning of Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA, (b) a plan, individual retirement account or other arrangement that is described in Section 4975 of the Code, whether or not subject to Section 4975 of the Code, (c) an insurance company using general account assets if such general account assets are deemed to include the assets of any of the foregoing types of plans, accounts or arrangements for purposes of Title I of ERISA or Section 4975 of the Code under Section 401(c)(1)(A) of ERISA or the regulations promulgated thereunder and (d) an entity that is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements, pursuant to ERISA, Section 4975 of the Code or laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the Code.

"Prepayment Amount" has the meaning given in Section 2.1(b).

"Purchaser Material Adverse Effect" means any change, event, development or effect that has had, or is reasonably likely to have, a material adverse effect on the ability of a Purchaser to consummate the transactions contemplated by this Agreement.

"Purchaser Released Claim/Liability" has the meaning given in Section 5.2(b).

"Purchaser Released Parties" has the meaning given in Section 5.2(a).

"Purchaser Releasors" has the meaning given in Section 5.2(b).

"Purchasers" has the meaning given in the introduction.

"RBL Credit Facility" means the means a Credit Agreement, entered into among Arsenal Resources Development LLC, as borrower, Citibank, N.A., as administrative agent, and the lenders and other parties party thereto from time to time (as amended, restated, supplemented, waived, replaced or amended and restated with the approval of the management committee of the Company and the other parties thereto). The RBL Credit Facility as in effect on the date hereof is attached hereto as Exhibit C.

"Required Holders" means, at any time, Noteholders holding at least 66⅔% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or its Subsidiaries).

"Restructuring Transaction Support Letter" means that certain letter agreement dated as of December 21, 2018, by and among the Company, ARH and each of the other Persons party thereto.

"Securities Act" has the meaning given in Section 4.5.

"Subsidiary" means, with respect to any Person, any other Person of which at least 50% of (i) the total Equity Interest or (ii) total voting power of shares of stock (or equivalent ownership or Controlling interest) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees (or similar Persons) thereof is at the time owned or Controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"Transaction Documents" means this Agreement, the Company Operating Agreement and the other agreements, instruments and documents contemplated hereby and thereby, including each schedule, exhibit and other ancillary document hereto and thereto.

"Warrantholder" means a Purchaser that is a holder of Warrants.

"Warrants" has the meaning given in the introduction.

ARTICLE II
THE EXCHANGE

Section 2.1 Exchange of Notes for Class A Common Units; Cancelation of Warrants.

(a) On the terms and subject to the conditions set forth in Agreement, at the Closing, each Noteholder shall surrender [(and pursuant to the AEH Plan of Reorganization, shall be deemed to surrender)] to the Company all of the Notes held by such Noteholder, whereupon such Notes shall be canceled, and such Noteholder shall thereby cancel and relinquish [(and pursuant to the AEH Plan of Reorganization, shall be deemed to have cancelled and relinquished)] all right, title and interest such Noteholder has with respect to such any Notes. In exchange for such surrender and cancellation, the Company shall issue to each Noteholder at the Closing the number of Class A Common Units set forth opposite such Noteholder's name on Schedule C (as updated by the Company before the Closing in accordance with such Schedule

C), and each such Noteholder shall acquire and accept such Class A Common Units from the Company. Upon such issuance of Class A Common Units to such Noteholder all of the Notes held by such Noteholder shall be deemed to have been paid in full and such Noteholder shall thereafter no longer have any right, title or interest with respect to such Notes.

(b) Upon the issuance of the Class A Common Units pursuant to Section 2.1(a), each Warrant shall be deemed to have been canceled, and each Warrantholder shall thereafter no longer have any right, title or interest with respect to such Warrant.

Section 2.2 Closing. On the terms and subject to the conditions set forth in this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall occur at the offices of Simpson Thacher & Bartlett LLP, 600 Travis Street, Suite 5400, Houston, Texas 77002, as soon as practicable, but in no event later than the 2nd Business Day after the satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other date, place or time as the Company and Purchasers may mutually agree. The Company may also agree with each Purchaser that the closing of the transactions contemplated by this Agreement with respect to such Purchaser will be deemed to have occurred within 24 hours of the Closing. The date on which the Closing occurs is referred to herein as the "Closing Date".

Section 2.3 Closing Deliverables.

(a) At the Closing, each Purchaser shall deliver or cause to be delivered to the Company the following:

(i) the certificate or certificates contemplated by Section 6.1(a).

(ii) original copies of all Notes held by such Purchaser, whereupon each such Purchaser agrees that each such Notes shall, as of the Closing Date, be marked as canceled by the Company or, in lieu thereof, an Affidavit of Loss in the form attached hereto as Exhibit D (an "Affidavit of Loss"), duly executed by such Purchaser;

(iii) original copies of all Warrants held by such Purchaser or any of its Affiliates, whereupon each such Purchaser or any of its Affiliates agrees that such Warrants shall, as of the Closing Date, be marked as canceled by the Company or, in lieu thereof, an Affidavit of Loss, duly executed by such Purchaser or any of its applicable Affiliates;

(iv) an executed counterpart signature page from such Purchaser and any of its Affiliates that are, or that are contemplated to be, members of the Company to the Second Amended and Restated Operating Agreement of the Company, in the form attached hereto as Exhibit E (the "Company Operating Agreement"); and

(v) all other certificates, documents and instruments reasonably requested in writing by the Company that are required to implement the transactions contemplated by this Agreement to be consummated at the Closing.

(b) At the Closing, the Company shall:

(i) deliver or cause to be delivered to each Purchaser the certificate contemplated by Section 6.2(a);

(ii) mark each of the Notes and Warrants as cancelled;

(iii) issue to each Noteholder the Class A Common Units set forth opposite such Noteholder's name on Schedule C, which shall be uncertificated;

(iv) if the AEH Restructuring Cases have not commenced, deliver to each Purchaser an opinion of counsel of Simpson Thacher & Bartlett LLP relating to the issuance of the Class A Common Units in the form attached hereto as Exhibit F; and

(v) deliver or cause to be delivered to each Purchaser an executed counterpart signature page from the Company to the Company Operating Agreement.

(c) At the Closing, each Member shall deliver or cause to be delivered to the Company an executed counterpart signature page to the Company Operating Agreement.

Section 2.4 Deemed Closing. Notwithstanding anything to the contrary in this Agreement, [and pursuant to the AEH Plan of Reorganization] if all of the conditions set forth in Section 6.2 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing and which would be satisfied if the Closing were to occur), and one or more Purchasers fails to consummate the Closing on the date that the Closing should have occurred pursuant to Section 2.2, the Company may unilaterally elect to cause the Closing to occur, in which case, (a) the Closing shall be deemed to have occurred on the date that the Closing should have occurred pursuant to Section 2.2, (b) all of the Notes and Warrants held by the Purchasers shall be deemed to have been surrendered and canceled and (c) the Company shall be deemed to have issued to the applicable Purchasers the Class A Common Units contemplated to be issued to them pursuant to Section 2.1(a). Purchasers agree that, upon the Closing under the conditions set out in this Section 2.4, the Purchasers shall be deemed to be bound by the Company Operating Agreement to the same extent as if each such Purchaser had executed and delivered the Company Operating Agreement at the Closing. The parties hereto shall (and shall cause their respective Affiliates to) do such acts, execute such documents and instruments and cooperate with each other as may be reasonably requested in writing by the Company to make effective this Section 2.4.

Section 2.5 Tax Treatment. The parties hereto agree that for all applicable tax purposes the exchange of the Notes for the Class A Common Units shall be treated as a tax free contribution of the Notes governed by Treasury Regulation Section 1.721-1(d) and that the Liquidation Value of the Class A Common Units is at least equal to the principal amount and

accrued interest outstanding on the Notes as of [November 30, 2018]. For these purposes "Liquidation Value" shall have the meaning set forth in Treasury Regulation Section 1.108-8. No party hereto shall take any position for applicable tax purposes that is inconsistent with the foregoing unless otherwise required pursuant to a final determination as defined in Section 1313 of the Code.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Purchaser, as of the date hereof and as of the Closing Date, that:

Section 3.1 Incorporation; Authorization; Enforceability; Non-contravention; Consents.

(a) The Company is an entity duly organized, validly existing and in good standing (if applicable) under the laws of the State of Delaware. The Company (i) has all requisite corporate (or similar) power and authority to carry on its business as now conducted, and to own and use its properties and assets and (ii) is in good standing and is duly qualified to transact business in each jurisdiction where the ownership or use of its properties and assets or the conduct of its business requires it to be so qualified, with such exceptions to this clause (ii) as do not or would not constitute, individually or in the aggregate, a Company Material Adverse Effect.

(b) The Company has all necessary limited liability company power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Such execution, delivery, performance and consummation by the Company has been duly authorized by all requisite limited liability company action on the part of the Company, and no other limited liability company action on the part of the Company is necessary to authorize the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is or will be a party and the consummation by the Company of the transactions contemplated hereby and thereby. This Agreement and each other Transaction Document to which the Company is (or will at the Closing be) a party, assuming due and valid authorization, execution and delivery by each other party hereto, constitutes (or will at the Closing constitute) a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent that enforceability may be affected by bankruptcy, insolvency, reorganization, moratorium, and other similar Legal Requirements affecting the rights and remedies of creditors generally and general equitable principles.

(c) The execution and delivery by the Company of this Agreement and the other Transaction Documents to which it is or will be a party, the performance by the Company of its obligations hereunder and thereunder, and the consummation by the Company of the transactions contemplated hereby and thereby do not and will not (with or without notice or lapse of time or both):

(i) contravene any provision in the organizational documents of the Company;

(ii) except to the extent such violation, conflict, breach, default, modification, revocation, cancellation, termination or acceleration, or created or changed rights or obligations of any party thereto, or failure to obtain approval, consent or waiver, or to give notice, does not or would not constitute, individually or in the aggregate, a Company Material Adverse Effect, (A) violate, conflict with, result in a breach of any provision of, constitute a default under, result in or permit the modification, revocation, cancellation, termination or acceleration of, or create or change any rights or obligations of any party thereto under, any Contract to which the Company is a party or any Permit owned or held by the Company or (B) require any approval, consent or waiver of, or notice to, any party to any such Contract or Permit; or

(iii) except to the extent such violation or conflict does not and is not reasonably likely to constitute, individually or in the aggregate, a Company Material Adverse Effect, violate or conflict with any Legal Requirement applicable to the Company.

(d) Other than as contemplated by the Restructuring Transaction Support Letter or the AEH Plan of Reorganization and other than such authorizations, consents, Orders, permits, approvals, notices, filings, registrations and qualifications, the failure of which to obtain does not or would not constitute, individually or in the aggregate, a Company Material Adverse Effect, no authorization, consent, Order, permit or approval of, or notice to, or filing, registration or qualification with, any Governmental Authority is necessary to be obtained or made by the Company in connection with the consummation by the Company of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 3.2 Absence of Litigation. Other than as contemplated by the Restructuring Transaction Support Letter or the AEH Plan of Reorganization and except with such exceptions as do not or would not constitute, individually or in the aggregate, a Company Material Adverse Effect, (a) there is no investigation pending or, to the knowledge of the Company, threatened against the Company before or by any Governmental Authority, (b) there is no Action (other than investigations) pending or, to the knowledge of the Company, threatened against the Company, at law or in equity, before or by any Governmental Authority, and (c) there are no outstanding Orders to which the Company is a party or is otherwise bound. As of the date hereof, there is no Action pending or, to the knowledge of the Company, threatened, against the Company seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 3.3 No Broker. Other than Barclays Capital Inc., there is no investment banker, broker, finder, or other intermediary retained by or authorized to act on behalf of the Company in connection with the transactions contemplated by this Agreement or the other Transaction Documents or who might be entitled to any fee or commission from any Purchaser upon consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 3.4 Side Letters. Other than the Restructuring Transaction Support Letter, the Company has not entered into any side letter or similar agreement with any Purchaser, solely in its capacity as such in connection with the transactions contemplated by Section 2.1, under which the Company has any additional obligations to such Purchaser in connection with the transactions contemplated hereby other than those set forth herein or which would obligate the Company to pay to such Purchaser any additional consideration in connection with the transactions contemplated hereby other than as set forth herein.

Section 3.5 No Other Representations and Warranties. Except for the representations and warranties expressly contained in this Article III or the other Transaction Documents, (a) the Company is not making, and has not made, any representation or warranty of any kind whatsoever, express or implied, at law or in equity, relating to the Company or its Affiliates or otherwise in connection with this Agreement, and Purchasers are not relying on any representation or warranty except for those expressly set forth in this Article III and (b) no Person has been authorized by the Company to make any representation or warranty relating to the Company or its Affiliates or otherwise in connection with this Agreement, and if made, such representation or warranty is not being relied upon by Purchasers as having been authorized by the Company.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Each Purchaser severally and not jointly, represents and warrants to the Company, as of the date hereof and as of the Closing Date, that:

Section 4.1 Incorporation; Authorization; Enforceability; Non-contravention; Consents.

(a) Such Purchaser is an entity duly organized, validly existing and in good standing (if applicable) under the laws of its jurisdiction of organization. Such Purchaser (i) has all requisite corporate (or similar) power and authority to carry on its business as now conducted, and to own and use its properties and assets and (ii) is in good standing and is duly qualified to transact business in each jurisdiction where the ownership or use of its properties and assets or the conduct of its business requires it to be so qualified, with such exceptions to this clause (ii) as do not or would not constitute, individually or in the aggregate, a Purchaser Material Adverse Effect.

(b) Such Purchaser has all necessary corporate (or similar) power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is or will be a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. Such execution, delivery, performance and consummation by such Purchaser has been duly authorized by all requisite corporate (or similar) action on the part of such Purchaser, and no other corporate (or similar) or equityholder action on the part of such Purchaser is necessary to authorize the execution, delivery and performance by such Purchaser of this Agreement and the other Transaction Documents to which such Purchaser is or will be a party and the consummation by such Purchaser of the transactions contemplated hereby and thereby. This Agreement and each other Transaction Document to which such

Purchaser is (or will at the Closing be) a party, assuming due and valid authorization, execution and delivery by each other party hereto, constitutes (or will at the Closing constitute) a legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser, in accordance with its respective terms, except to the extent that enforceability may be affected by bankruptcy, insolvency, reorganization, moratorium, and other similar Legal Requirements affecting the rights and remedies of creditors generally and general equitable principles.

(c) The execution and delivery by such Purchaser of this Agreement and the other Transaction Documents to which it is or will be a party, the performance by such Purchaser of its obligations hereunder and thereunder, and the consummation by such Purchaser of the transactions contemplated hereby and thereby do not and will not (with or without notice or lapse of time or both):

(i) contravene any provision of the organizational documents of such Purchaser;

(ii) except to the extent such violation, conflict, breach, default, modification, revocation, cancellation, termination or acceleration, or created or changed rights or obligations of any party thereto, or failure to obtain approval, consent or waiver, or to give notice, does not or would not constitute, individually or in the aggregate, a Purchaser Material Adverse Effect, (A) violate, conflict with, result in a breach of any provision of, constitute a default under, result in or permit the modification, revocation, cancellation, termination or acceleration of, or create or change any rights or obligations of any party thereto under, any Contract to which such Purchaser is a party or any Permit owned or held by such Purchaser or (B) require any approval, consent or waiver of, or notice to, any party to any such Contract or Permit;

(iii) result in the creation or imposition of any Lien upon, or any Person obtaining any right to acquire ownership of or other interest in, the Notes or the Warrants; or

(iv) except to the extent such violation or does not or would not constitute, individually or in the aggregate, a Purchaser Material Adverse Effect, violate or conflict with any Legal Requirements applicable to such Purchaser.

(d) Other than as contemplated by the Restructuring Transaction Support Letter or the AEH Plan of Reorganization and other than such authorizations, consents, Orders, permits, approvals, notices, filings, registrations and qualifications, the failure of which to obtain does not or would not constitute, individually or in the aggregate, a Purchaser Material Adverse Effect, no authorization, consent, Order, permit or approval of, or notice to, or filing, registration or qualification with, any Governmental Authority is necessary to be obtained or made by such Purchaser in connection with the consummation by such Purchaser of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 4.2 Title to Notes and Warrants. Such Purchaser has good and valid legal and beneficial title to the Notes and Warrants set forth opposite such Purchaser's name on Schedule

D hereto, is the sole record, legal and beneficial owner of such Notes and Warrants, and has the full right, power and authority to surrender the Notes and Warrants pursuant to this Agreement. Such Notes and Warrants are owned by such Purchaser free and clear of all Liens other than restrictions on transfers pursuant to applicable securities laws or the Note and Warrant Purchase Agreement. There are no outstanding subscriptions, options, warrants, rights, contracts, understandings or agreements to purchase or otherwise acquire such Notes and Warrants.

Section 4.3 Absence of Litigation. Other than as contemplated by the Restructuring Transaction Support Letter or the AEH Plan of Reorganization and except with such exceptions as do not or would not constitute, individually or in the aggregate, a Purchaser Material Adverse Effect, (a) there is no investigation pending or, to the knowledge of such Purchaser, threatened against such Purchaser before or by any Governmental Authority, (b) there is no Action (other than investigations) pending or, to the knowledge of such Purchaser, threatened against such Purchaser, at law or in equity, before or by any Governmental Authority, and (c) there are no outstanding Orders to which such Purchaser is a party or is otherwise bound. Such Purchaser is not operating under or subject to any Order that relates to the Notes and Warrants. As of the date hereof, there is no Action pending or, to the knowledge of such Purchaser, threatened, against such Purchaser seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 4.4 No Broker. There is no investment banker, broker, finder, or other intermediary retained by or authorized to act on behalf of such Purchaser who might be entitled to any fee or commission from the Company or any of its Subsidiaries upon consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 4.5 Accredited Investor. Such Purchaser is an "accredited investor" as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") or a "qualified institutional buyer" (within the meaning of Rule 144A of the Securities Act). Such Purchaser is acquiring the Class A Common Units from the Company for such Purchaser's own account as principal and not with a view to distribution thereof in violation of the Securities Act or any other securities laws.

Section 4.6 Restrictions on Transfer; No Public Market. Such Purchaser understands and acknowledges that (a) there are restrictions on such Purchaser's ability to resell the Class A Common Units under the Securities Act or other applicable securities laws, (b) the Class A Common Units are being offered and issued to such Purchaser in reliance on one or more specific exemptions from the registration requirements of the Securities Act and applicable state securities laws, (c) the Class A Common Units have not been registered under the Securities Act or the securities laws of any state, and may not be sold except pursuant to an effective registration statement or pursuant to a duly available exemption from such registration requirements, and (d) there is no public market for the Class A Common Units, the Class A Common Units do not trade on an exchange or automatic quotation system, and no such market is expected to develop.

Section 4.7 Investment Representations.

(a) Such Purchaser's knowledge and experience in financial and business matters is such that such Purchaser is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and the other Transaction Documents.

(b) In making its decision to enter into this Agreement, such Purchaser has taken such independent legal and financial advice as it has deemed necessary or advisable in order to enable it to evaluate the merits and risks of the transactions contemplated by this Agreement and the other Transaction Documents, and has relied exclusively on its own independent investigation and such independent legal and financial advice as it has deemed necessary or advisable.

(c) Such Purchaser has been given the opportunity to examine all documents and to ask questions of, and to receive answers from, the Company and its representatives concerning the Company and its Subsidiaries and the terms and conditions of the transactions contemplated by this Agreement and the other Transaction Documents and to obtain any additional information which such Purchaser deemed necessary.

(d) Such Purchaser acknowledges and agrees that (i) it is responsible for its own taxes relating to the transactions contemplated by this Agreement and the other Transaction Documents, (ii) it has relied upon the advice of its own tax advisors in connection with the transactions contemplated by this Agreement and the other Transaction Documents and (iii) none of the Company or any of its Affiliates or representatives has made any representation or warranty as to the tax treatment of any transaction contemplated by this Agreement or the other Transaction Documents.

Section 4.8 Plan Assets. Either (a) no portion of the Notes or Warrants constitutes the assets of any Plan or (b)(i) such Notes and Warrants constitute assets of an insurance company general account, (ii) for the entire period during which such Purchaser holds any Class A Common Units or other Equity Interests, less than 25% of the assets of such insurance company general account will constitute "plan assets" of any "benefit plan investor" and (iii) the acquisition and holding of such Class A Common Units or Equity Interests, as the case may be (and any other interests in the Company for which any Class A Common Units or other Equity Interests may be converted or exchanged), by such Purchaser, will satisfy the requirements of Department of Labor Prohibited Transaction Class Exemption 95-60, and will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 4.9 OFAC. To the knowledge of such Purchaser, (a) none of such Purchaser or any of such Purchaser's Affiliates that beneficially own a majority of such Purchaser is an Embargoed Person with the result that such Purchaser's investment in the Class A Common Units is prohibited by or in violation of U.S. law and (b) if and to the extent that such Purchaser or any of such Purchaser's Affiliates that beneficially own a majority of such Purchaser are required by law to maintain an anti-money laundering compliance program under applicable anti-money laundering laws and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56), such compliance programs are currently being maintained in all material respects.

Section 4.10 U.S. Persons. Such Purchaser is a United States person within the meaning of Section 7701(a)(30) of the Code.

Section 4.11 No Other Representations and Warranties. Except for the representations and warranties expressly contained in this Article IV and in the other Transaction Documents, (a) such Purchaser is not making, and has not made, any representation or warranty of any kind whatsoever, express or implied, at law or in equity, relating to such Purchaser or its Affiliates or otherwise in connection with this Agreement, and the Company is not relying on any representation or warranty except for those expressly set forth in this Article IV and (b) no Person has been authorized by such Purchaser to make any representation or warranty relating to such Purchaser or its Affiliates or otherwise in connection with this Agreement, and if made, such representation or warranty is not being relied upon by the Company as having been authorized by such Purchaser.

ARTICLE V
COVENANTS

Section 5.1 Rights and Liabilities under the Note and Warrant Purchase Agreement and the Warrants. Contingent upon the occurrence of the Closing, the Note and Warrant Purchase Agreement shall be deemed to have been terminated, and none of the parties hereto shall have any further rights or liabilities under the Note and Warrant Purchase Agreement.

Section 5.2 Mutual Release.

(a) Subject to the following sentence, the Company hereby, for itself and all of its Subsidiaries (the "Company Releasors"), contingent upon the occurrence of the Closing, effective on the Closing Date, fully and unconditionally releases, acquits and forever discharges Purchasers, their respective Affiliates and each of their respective past, present and future directors, officers, employees, incorporators, members, partners, stockholders, Affiliates, agents, attorneys, representatives and their respective successors and assigns, in their capacities as such, (collectively, the "Purchaser Released Parties"), from any and all manner of (i) claims that the Company Releasors ever had, now have or hereafter can, shall or may have, against the Purchaser Released Parties and (ii) Liabilities that the Purchaser Released Parties ever had, now have or hereafter can, shall or may have, to the Company Releasors, in the case of each of clauses (i) and (ii), relating to, arising out of or in connection with any facts or circumstances relating to the Note and Warrant Purchase Agreement which occurred prior to the Closing (each such claim or Liability in clauses (i) and (ii), a "Company Released Claim/Liability"), and agrees not to bring or threaten to bring or otherwise join in (or assign to any third party) any Company Released Claim/Liability against the Purchaser Released Parties or any of them. The foregoing notwithstanding, the Company Releasors are not releasing, acquitting or discharging the Purchaser Released Parties from (A) any claims or Liabilities relating to, arising out of or in connection with any of the obligations or agreements of the Purchaser Released Parties or any of them expressly established pursuant to this Agreement, the other Transaction Documents, or the ARD Term Loan Credit Agreement or (B) any claim for fraud. The Purchaser Released Parties are expressly intended as third party beneficiaries of this provision of this Agreement.

(b) Subject to the following sentence, Purchasers hereby, for themselves and all of their Affiliates (the "Purchaser Releasors"), contingent upon the occurrence of the Closing, effective on the Closing Date, fully and unconditionally release, acquit and forever discharge the Company, its Affiliates and each of their respective past, present and future directors, officers, employees, incorporators, members, partners, stockholders, Affiliates, agents, attorneys, representatives and their respective successors and assigns, in their capacities as such, (collectively, the "Company Released Parties"), from any and all manner of (i) claims that the Purchaser Releasors ever had, now have or hereafter can, shall or may have, against the Company Released Parties and (ii) Liabilities that the Company Released Parties ever had, now have or hereafter can, shall or may have, to the Purchaser Releasors, in the case of each of clauses (i) and (ii), relating to, arising out of or in connection with any facts or circumstances relating to the Note and Warrant Purchase Agreement which occurred prior to the Closing (each such claim or Liability in clauses (i) and (ii), a "Purchaser Released Claim/Liability"), and agree not to bring or threaten to bring or otherwise join in (or assign to any third party) any Purchaser Released Claim/Liability against the Company Released Parties or any of them. The foregoing notwithstanding, the Purchaser Releasors are not releasing, acquitting or discharging the Company Released Parties from (A) any claims or Liabilities relating to, arising out of or in connection with any of the obligations or agreements of the Company Released Parties or any of them expressly established pursuant to this Agreement, the other Transaction Documents, or the ARD Term Loan Credit Agreement or (B) any claim for fraud. The Company Released Parties are expressly intended as third party beneficiaries of this provision of this Agreement.

Section 5.3 Cooperation. Subject to the terms and conditions of this Agreement, each of the parties hereto shall take, or cause to be taken, all necessary actions and to do, or cause to be done, all things necessary or desirable under applicable Legal Requirements for such party to consummate the transactions contemplated by this Agreement, including (a) preparing and filing as promptly as practicable with any Governmental Authority all documentation to effect all necessary or advisable filings, notices, petitions, statements, registrations, submissions of information, applications and other documents by such party and (b) obtaining and maintaining all approvals, consents, registrations, permits, authorizations, actions or non-actions, and other confirmations required or advisable to be obtained by such party from any Governmental Authority that are necessary, proper or advisable for such party to consummate the transactions contemplated by this Agreement.

Section 5.4 Confidentiality. Except as may be requested or required by applicable Legal Requirement or as specifically contemplated hereby, the parties hereto will maintain the confidentiality of the transactions contemplated by this Agreement and the other Transaction Documents, except that the parties hereto may disclose the terms of the transaction to their respective Affiliates, directors, officers, members, trustees, employees, agents, advisors, attorneys, accountants, agents and other professionals in connection with the closing of the transactions contemplated by and/or the performance of the parties' respective obligations under this Agreement or the other Transaction Documents or the enforcement of the parties' respective rights and obligations hereunder or thereunder.

Section 5.5 Transfers of Notes and Warrants. Purchasers and the Members agree that, upon any Transfer (as such term is defined in the Note and Warrant Purchase Agreement) of Notes or Warrants by a Purchaser or Equity Interests in the Company by a Member, such

Purchaser or Member shall cause the transferee to become a party to this Agreement by executing and delivering to the Company a joinder to this Agreement agreeing to be bound by this Agreement as if such transferee were a Purchaser or Member that had originally signed this Agreement as of the date hereof, and which will otherwise be in a form reasonably acceptable to the Company. Purchasers and the Members agree that the execution and delivery of such a joinder will be a condition to the effectiveness of any Transfer of Notes or Warrants or Equity Interests in the Company. Any Transfer of Notes or Warrants or Equity Interests in the Company to a Person that is not then a party to this Agreement that does not include the execution and delivery to the Company of such a joinder prior to or concurrently with such Transfer shall be null and void *ab initio*.

Section 5.6 Approval of Company Operating Agreement. Each of the Purchasers and the Members hereby approves the form of Company Operating Agreement and consents to the Company Operating Agreement being entered into at the Closing, including as contemplated by Section 2.4. Each of the Purchasers and the Members hereby waives any preemptive rights arising under the Amended and Restated Operating Agreement of the Company, dated October 14, 2014, as amended, including pursuant to Sections 4.6 or 4.7 thereof, arising by reason of the transactions contemplated by this Agreement.

ARTICLE VI
CLOSING CONDITIONS

Section 6.1 Conditions Precedent to Obligations of the Company. The obligation of the Company to consummate the transactions contemplated hereby is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions precedent (any one or more of which may be waived in writing in whole or in part by the Company in its sole discretion):

(a) Representations, Warranties and Covenants. The representations and warranties of Purchasers in Article IV shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct only as of such specific date), and Purchasers shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by them at or prior to the Closing Date. Each Purchaser shall furnish the Company with a certificate or certificates in the form attached hereto as Exhibit G dated as of the Closing Date and signed by a duly authorized representative of such Purchaser to the effect that the conditions set forth in this Section 6.1(a) have been satisfied.

(b) Orders; Legal Requirements. There shall exist no Order or Legal Requirement restraining, enjoining or prohibiting the consummation by the Company of the transactions contemplated by this Agreement or the other Transaction Documents.

(c) Joint Development Agreement. The Joint Development Agreement shall have been executed on or before the Closing Date.

(d) Fullstream Contract. A Subsidiary of the Company shall have entered into a Contract with Fullstream Energy (or an Affiliate thereof), for the construction of the ACP

Connector (as defined in the Joint Development Agreement) or a substantially equivalent Pipeline (as defined in the Joint Development Agreement).

(e) ARD Term Loan Credit Agreement. The Closing Date (as defined in the ARD Term Loan Credit Agreement) under the ARD Term Loan Credit Agreement shall have occurred on or before the Closing Date.

(f) RBL Credit Facility. The Closing Date (as defined in the RBL Credit Facility) under the RBL Credit Facility shall have occurred on or before the Closing Date.

(g) AEH Plan of Reorganization. If the AEH Restructuring Cases have commenced, the AEH Plan of Reorganization shall have become effective on or prior to the Closing Date.

(h) Simultaneity. All of the Purchasers shall have consummated the transactions contemplated hereby (including the surrender and cancellation of 100% of the outstanding Notes in exchange for the issuance of Class A Common Units by the Company) substantially contemporaneously (i.e., within 24 hours) with each other Purchaser, it being understood that if the Company has exercised its rights under Section 2.4, this condition shall be deemed to have been satisfied.

(i) Deliverables. Purchasers shall have delivered all the certificates, instruments, contracts and other items specified to be delivered by them in Section 2.3(a), and the Members shall have delivered the items specified to be delivered by them in Section 2.3(c).

Section 6.2 Conditions Precedent to Obligations of Purchasers. The obligation of a Purchaser to consummate the transactions contemplated hereby is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions precedent (any one or more of which may be waived in writing in whole or in part by such Purchaser in its sole discretion):

(a) Representations, Warranties and Covenants. The representations and warranties of the Company in Article III shall be true and correct in all material respects as of the date hereof and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct only as of such specific date), and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Company shall furnish such Purchaser with a certificate in the form attached hereto as Exhibit H dated the Closing Date and signed by a manager or officer of the Company to the effect that the conditions set forth in this Section 6.2(a) have been satisfied.

(b) Orders; Legal Requirements. There shall exist no Order or Legal Requirement restraining, enjoining or prohibiting the consummation by such Purchaser of the transactions contemplated by this Agreement or the other Transaction Documents.

(c) Joint Development Agreement. The Joint Development Agreement shall have been executed on or before the Closing Date.

(d) Fullstream Contract. A Subsidiary of the Company shall have entered into a Contract with Fullstream Energy (or an Affiliate thereof), for the construction of the ACP Connector (as defined in the Joint Development Agreement) or a substantially equivalent Pipeline (as defined in the Joint Development Agreement).

(e) ARD Term Loan Credit Agreement. The Closing Date (as defined in the ARD Term Loan Credit Agreement) under the ARD Term Loan Credit Agreement shall have occurred on or before the Closing Date.

(f) RBL Credit Facility. The Closing Date (as defined in the RBL Credit Facility) under the RBL Credit Facility shall have occurred on or before the Closing Date.

(g) AEH Plan of Reorganization. If the AEH Restructuring Cases have commenced, the AEH Plan of Reorganization shall have become effective on or prior to the Closing Date.

(h) Simultaneity. The Company and all of the other Purchasers shall have consummated the transactions contemplated hereby (including the surrender and cancellation of 100% of the outstanding Notes in exchange for the issuance of Class A Common Units by the Company) substantially contemporaneously (i.e., within 24 hours) of the Closing Date, it being understood that if the Company has exercised its rights under Section 2.4, this condition shall be deemed to have been satisfied.

(i) Arsenal Midstream. The Company shall not, directly or indirectly, have transferred, sold or otherwise disposed of to a third party, any equity interests of Arsenal Midstream LLC.

(j) Deliverables. The Company shall have delivered to such Purchaser the certificates, instruments, contracts and other items specified to be delivered by it to such Purchaser in Section 2.3(b).

ARTICLE VII
TERMINATION

Section 7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the written consent of the Company and the Required Holders;

(b) by either the Company or the Required Holders if the Closing has not occurred by 11:59 p.m., New York time, on March 21, 2019 (the "End Date"); provided, however, that the right to terminate this Agreement under this Section 7.1(b) shall not be available to (i) the Company, if the failure of the Company to fulfill any obligation or condition under this Agreement has been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the End Date, or (ii) the Required Holders, if the failure of any Purchaser to fulfill any obligation or condition under this Agreement has been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the End Date. Under no circumstances shall the Company be allowed to rely on the provisions of Section 2.4 to avoid a

termination under this clause (b) to the extent that, at such time as the Company seeks to exercise its rights under Section 2.4, the Company has failed to fulfill any obligation or condition under this Agreement or is otherwise in default hereunder, and such failure or default has been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the End Date.

Section 7.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 7.1, written notice thereof shall forthwith be given by the terminating party or parties to the other party or parties hereto, and this Agreement shall thereupon terminate and become void and have no effect, and the transactions contemplated hereby shall be abandoned without further action by the parties hereto and no party hereto shall have any liability hereunder, except that (a) such termination shall not relieve any party hereto of any liability for any intentional breach of any covenant or agreement contained in this Agreement occurring prior to such termination and (b) the provisions of Section 5.4, this Section 7.2 and Article VIII (in each case, along with corresponding defined terms) shall survive the termination of this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Action by Purchasers. If any amendment, consent, approval, waiver or action of Purchasers is required or contemplated hereunder, such amendment, consent, approval, waiver or action shall be deemed given if the Required Holders provide such amendment, consent, approval, waiver or action in writing.

Section 8.2 Survival. The representations and warranties made by the Company herein and in the certificates or other instruments delivered by the Company in connection with or pursuant to this Agreement shall survive until the 18-month anniversary of the Closing; provided, that the representations and warranties in Section 3.1(a) (first sentence), Section 3.1(b) and Section 3.1(c) shall survive the Closing and the issuance of the Class A Common Units indefinitely. The representations and warranties of each Purchaser herein shall survive the Closing until the 18-month anniversary of the Closing; provided, that the representations and warranties in Section 4.1(a) (first sentence), Section 4.1(b), Section 4.1(c) and Section 4.2 shall survive the Closing and the issuance of the Class A Common Units indefinitely.

Section 8.3 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement Copies of executed counterparts transmitted by facsimile, email or other electronic transmission service (via PDF or otherwise) shall be considered original executed counterparts for purposes of this Section 8.3.

Section 8.4 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and the rights and duties of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Delaware that apply to contracts made and performed entirely within such state, without regard to principles of conflicts of laws.

(b) Any Action with respect to this Agreement or any matter arising out of or in connection with this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and

obligations arising hereunder brought by a party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court. Each of the parties hereto hereby irrevocably submits with regard to any such Action for itself and in respect of its property, generally and unconditionally, to the sole and exclusive personal jurisdiction of the aforesaid courts and agrees that it will not bring any Action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each party hereto irrevocably consents to service of process in any Action in any of the aforesaid courts by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized overnight delivery service, to such party at such party's address referred to in Section 8.7. Each party hereto hereby irrevocably and unconditionally waives, and agrees not to assert as a defense, counterclaim or otherwise, in any Action brought by any party with respect to this Agreement (i) any claim that it is not personally subject to the jurisdiction of the aforesaid courts for any reason other than the failure to serve process in accordance with this Section 8.4, (ii) any claim that it or its property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) any objection which such party may now or hereafter have (A) to the laying of venue of any of the aforesaid Actions arising out of or in connection with this Agreement brought in the courts referred to above, (B) that such Action brought in any such court has been brought in an inconvenient forum and (C) that this Agreement or the subject matter hereof may not be enforced in or by such courts. Nothing herein shall affect the right of any party to serve process in any other manner permitted by Legal Requirements.

(c) To the extent that any party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself, or to such party's property, each such party hereby irrevocably waives such immunity in respect of such party's obligations with respect to this Agreement.

(d) WAIVER OF JURY TRIAL. EACH PARTY HERETO, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

(e) EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY AGREEING TO THE CHOICE OF DELAWARE LAW TO GOVERN THIS AGREEMENT AND TO THE JURISDICTION OF DELAWARE COURTS IN CONNECTION WITH PROCEEDINGS BROUGHT HEREUNDER. THE PARTIES HERETO INTEND THIS TO BE AN EFFECTIVE CHOICE OF DELAWARE LAW AND AN EFFECTIVE CONSENT TO JURISDICTION AND SERVICE OF PROCESS UNDER 6 DEL. C. § 2708.

Section 8.5 Entire Agreement; No Third Party Beneficiary. This Agreement and the other Transaction Documents contain the entire agreement by and among the parties hereto with respect to the subject matter hereof and all prior negotiations, writings and understandings relating to the subject matter of this Agreement and the other Transaction Documents are merged in and are superseded and canceled by, this Agreement and the other Transaction Documents. This Agreement is not intended to confer upon any Person not a party hereto (or their successors and permitted assigns) any rights or remedies hereunder except to the extent otherwise set forth in Section 5.2 or in Section 8.18.

Section 8.6 Expenses. Each party hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, investment bankers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby.

Section 8.7 Notices. All notices and other communications hereunder will be in writing and given by certified or registered mail, return receipt requested, internationally recognized overnight delivery service (such as Federal Express), or e-mail, in each case, at such party's address or e-mail address set forth below or such other address or e-mail address as such party may hereafter specify by notice to the other parties hereto given in accordance herewith. Any such notice or other communication shall be deemed to have been given as of the date so personally delivered or transmitted by e-mail (if delivered or transmitted during normal business hours of the recipient and, if not, then on the next Business Day), three Business Days after the date sent by overnight delivery services or seven days after the date so mailed if by certified or registered mail.

If to the Company:

Arsenal Energy Holdings LLC
6031 Wallace Road Ext., Suite 300
Wexford, Pennsylvania 15090
Attn: Craig Lavender
Email: clavender@arsenalresources.com
Fax: 800-428-0981

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

Simpson Thacher & Bartlett LLP
600 Travis Street, Suite 5400
Houston, Texas 77002
Attn: Christopher R. May
E-mail: cmay@stblaw.com
Fax: 713-821-5602

If to Purchasers, as set forth in the Note and Warrant Purchase Agreement or Warrants, as applicable.

If to the Members, as set forth in the Amended and Restated Operating Agreement of the Company, dated October 14, 2014, as amended.

Section 8.8 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party hereto may assign its rights or delegate its obligations, in whole or in part, directly or indirectly, by operation of the law or otherwise, under this Agreement without the prior written consent of the other parties hereto. Any purported assignment or delegation in violation of this Agreement shall be null and void *ab initio*.

Section 8.9 Headings. The Section, Article and other headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

Section 8.10 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the Company and the Required Holders. Any party hereto to whom performance or compliance is owed hereunder may, only by an instrument in writing, waive performance or compliance by any other party or parties hereto of or with any term or provision hereof on the part of such other party or parties hereto to be performed or complied with. No failure or delay of any party hereto in exercising any right or remedy hereunder shall operate as a waiver thereof, nor will any single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The waiver by any party hereto of a breach of any term or provision hereof shall not be construed as a waiver of any subsequent breach. The rights and remedies of the parties hereto hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have hereunder.

Section 8.11 Interpretation.

(a) For the purposes hereof: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (ii) the terms “hereof”, “herein”, and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Exhibits) and not to any particular provision of this Agreement, and Article, Section, paragraph, and Exhibit references are to the Articles, Sections, paragraphs, and Exhibits of this Agreement unless otherwise specified; (iii) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation”, unless the context otherwise requires or unless otherwise specified; (iv) the word “or” shall not be exclusive; and (v) all references to “$” and “dollars” shall be deemed to refer to United States dollars unless otherwise specifically provided.

(b) With regard to each and every term of this Agreement, the parties hereto understand and agree that the same has been mutually negotiated, prepared and drafted, and if at

any time the parties hereto desire or are required to interpret or construe any such term or any agreement or instrument subject hereto, no consideration shall be given to the issue of which party actually prepared, drafted or requested any term of this Agreement.

Section 8.12 Severability. Any provision hereof that is held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof; provided, however, that the Company and Purchasers will attempt in good faith to reform this Agreement in a manner consistent with the intent of any such ineffective provision for the purpose of carrying out such intent.

Section 8.13 Further Assurances. From and after the Closing, the parties hereto shall do such acts, execute such documents and instruments and cooperate with each other as may be reasonably required to make effective the transactions contemplated hereby.

Section 8.14 Business Days. If any date provided for in this Agreement shall fall on a day that is not a Business Day, the date provided for shall be deemed to refer to the next Business Day.

Section 8.15 Specific Performance. Each of the parties hereto acknowledges that none of the parties hereto would have an adequate remedy at law for money damages in the event that any of the covenants or agreements set forth in this Agreement were not performed or threatened not to be performed in accordance with their terms and therefore, each party hereto agrees that each other party hereto shall be entitled to seek specific performance, injunctive and other equitable relief in addition to any other remedy to which it may be entitled at law or in equity (without the necessity of proving the inadequacy as a remedy of money damages or the posting of a bond).

Section 8.16 Joint and Several Obligations. Purchasers' and the Members' respective obligations hereunder are several and not joint, and no Purchaser or Member shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser or Member hereunder.

Section 8.17 No Reliance. Each Purchaser and Member acknowledges that it has, independently and without reliance upon the Company, any other Purchaser or Member and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement or any related agreement to which is a party. Each Purchaser and Member also acknowledges that it will, independently and without reliance upon the Company, any other Purchaser or Member and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Section 8.18 No Recourse Against Non-Parties. All claims or causes of action (whether in contract or in tort, in law or in equity) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to

enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto. No Person who is not a named party to this Agreement, including any director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any named party to this Agreement ("Non-Party Affiliates") shall have any Liability (whether in contract or in tort, in law or in equity, or based upon any theory that seeks to impose Liability of an entity party against its owners or Affiliates) for any obligations or Liabilities arising under, in connection with or related to this Agreement or for any claim based on, in respect of, or by reason of this Agreement or its negotiation or execution; and each party hereto waives and releases all such Liabilities, claims and obligations against any such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third party beneficiaries of this provision of this Agreement.

Section 8.19 Effectiveness of Agreement. This Agreement will become effective when the Agreement has been executed by the Company and Purchasers holding all of the outstanding Notes and Warrants; provided, that, if the AEH Restructuring Cases are commenced, this Agreement will become effective upon the effective date of the AEH Plan of Reorganization, regardless of whether this Agreement has been executed by any Purchasers.

[Signature pages follow]

Exhibit B

Form of New AEH Operating Agreement

SECOND AMENDED AND RESTATED OPERATING AGREEMENT

OF

ARSENAL ENERGY HOLDINGS LLC

[●], 2019

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SECOND AMENDED AND RESTATED OPERATING AGREEMENT
OF
ARSENAL ENERGY HOLDINGS LLC

This **SECOND AMENDED AND RESTATED OPERATING AGREEMENT** of ARSENAL ENERGY HOLDINGS LLC (formerly known as Mountaineer Energy Holdings, LLC), a Delaware limited liability company (the "***Company***"), is entered into as of [●], 2019 (the "***Effective Date***"), by and among the Members or Unitholders signatory hereto or otherwise made party hereto from time to time.[1]

RECITALS

A. The Company was formed by filing a Certificate of Formation with the Office of the Secretary of State of the State of Delaware on July 11, 2014 (the "***Original Certificate***").

B. On July 29, 2014, Holdings entered into the Limited Liability Company Agreement of the Company (the "***Initial Operating Agreement***") as the sole member of the Company.

C. On October 14, 2014, Holdings and FR Mountaineer Keystone Holdings LLC entered into the Amended and Restated Operating Agreement of the Company (as amended by Amendment No. 1, dated as of November 10, 2016, the "***Amended and Restated Operating Agreement***").

D. The Original Certificate was amended on February 20, 2017 to change the name of the Company to "Arsenal Energy Holdings LLC" by the filing of a Certificate of Amendment to Certificate of Formation of the Company with the Office of the Secretary of State of the State of Delaware.

E. The Company and each of the purchasers ("***Purchasers***") of subordinated unsecured notes (the "***Notes***") and warrants (the "***Warrants***") are party to one or more of (a) the Note and Warrant Purchase Agreement, dated as of July 29, 2014 (as amended, supplemented or otherwise modified from time to time, the "***2014 Note and Warrant Purchase Agreement***"), (b) the Note and Warrant Purchase Agreement, dated as of November 10, 2016 (as amended, supplemented or otherwise modified from time to time, the "***2016A Note and Warrant Purchase Agreement***"), and (c) the Note and Warrant Purchase Agreement, dated as of December 22, 2016 (as amended, supplemented or otherwise modified from time to time, the "***2016B Note and Warrant Purchase Agreement***" and, together with the 2014 Note and Warrant Purchase Agreement and the 2016A Note and Warrant Purchase Agreement, the "***Note and Warrant Purchase Agreement***").

F. The Note and Warrant Purchase Agreement has previously been amended by (a) Amendment No. 1 to Note and Warrant Purchase Agreement, dated as of September 26, 2014, (b) Waiver and Amendment No. 2 to Note and Warrant Purchase Agreement, dated as of November 10, 2016, and (c) Waiver and Amendment No. 3 to Note and Warrant Purchase Agreement, dated as of March 16, 2017, entered into, in each case, by the Company and the Purchasers party thereto.

G. In accordance with the Exchange Agreement, dated as of [●], 2019 (the "***Exchange Agreement***"), by and among the Company, each of the Purchasers who are signatory or otherwise deemed to be party thereto, and, solely for purposes of Section 2.3(c) of the Exchange Agreement, each of the Members of the Company who are signatory or otherwise deemed to be a party thereto, in exchange for the

[1] Note to Draft: Schedules and definitions related to Class A Common Units and Class A Liquidation Preference will be updated as necessary due to the contemplated change in the reference date for conversion used in the Exchange Agreement.

surrender and cancelation by Purchasers of all of the outstanding Notes, the Company is issuing to the Purchasers identified therein Class A Common Units (the "***Exchange***").

H. The parties hereto now desire to amend and restate the Amended and Restated Operating Agreement to reflect the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements and representations set forth herein, and intending to be legally bound, the parties to this Agreement set forth the agreement for the Company under the laws of the State of Delaware upon the terms and subject to the conditions of this Agreement.

ARTICLE 1
FORMATION

1.1 Formation and Continuation. The Members hereby agree to continue the Company as a limited liability company under the Act, upon the terms and subject to the conditions set forth in this Agreement.

1.2 Name; Principal Place of Business. Unless and until amended in accordance with this Agreement and the Act, the name of the Company will be "Arsenal Energy Holdings LLC". The principal place of business of the Company shall be 6031 Wallace Road Ext., Suite 300, Wexford, Pennsylvania 15090, or such other place or places within the United States as determined by consent of the Management Committee.

1.3 Agent for Service of Process. Until such time as the Company has appointed a different person to act in the State of Delaware as the agent of the Company for service of process, the Company's agent for service of process in the State of Delaware shall be Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808.

1.4 Purpose. The Company is formed solely for the object and purpose of (a) investing in and conducting oil and gas exploration, development, gathering, transportation and marketing activities in the AMI, (b) investing in or operating related ancillary businesses that operate in the AMI, and (c) engaging in any and all activities necessary or incidental to the foregoing.

ARTICLE 2
UNITS

2.1 Units. The Company shall be authorized to issue three classes of Units, to be designated as "***Class A Common Units***", "***Class B Common Units***", "***Class C Common Units***" (collectively, the "***Common Units***") and "***Profits Interest Units***". The rights associated with the Units are set forth hereinafter. The Units shall not be represented by certificates. Subject to Section 4.6 and Article 6, the total number of Units the Company is empowered to issue is unlimited.

2.2 Common Units.

2.2.1 Common Units may be issued at any time on terms and conditions determined by the Management Committee.

2.2.2 Except as may be agreed between the Company and a holder of Common Units, the holders of Common Units shall not have any obligation to contribute capital to the Company.

2.3 Profits Interest Units.

2.3.1 The Profits Interest Units shall be issuable only to Persons who are employed by or provide services to the Company or any of its Subsidiaries. The Company may from time to time effect one or more issuances of Profits Interest Units. The Management Committee shall designate a "***Threshold Amount***" applicable to each issuance of Profits Interest Units to the extent necessary to cause such Profits Interest Units to constitute "profits interests", but which shall not be less than zero. The Threshold Amount for each series of Profits Interest Units shall, as of any date of determination, be not less than an amount equal to the aggregate amount that would be distributed with respect to the Units issued on the date hereof and any other Units issued prior to the issuance of such series of Profits Interest Units if, immediately prior to the issuance of such series of Profits Interest Units, the Company were dissolved and liquidated pursuant to Article 11 hereof, its assets sold for cash equal to their respective fair market values, all Company liabilities were satisfied in full and the balance were distributed pursuant to Section 7.2. For United States federal income tax purposes, the Profits Interest Units represent "profits interests" in the Company in accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191 and Rev. Proc. 93-27, 1993-2 C.B. 343. Any Profits Interest Unit that is repurchased by the Company shall be cancelled.

2.3.2 The Profits Interest Units shall be held subject to the terms and conditions (including vesting, forfeiture and other provisions) of this Agreement, the 2019 Long-Term Incentive Plan of Arsenal Energy Holdings LLC (as it may be amended from time to time, the "***Management Incentive Plan***") and each applicable management interest award agreement (each, an "***Award Agreement***").

2.4 Voting Rights of Unitholders.

2.4.1 Each outstanding Common Unit held by a Member will have one vote on any matter put before the Members holding Common Units.

2.4.2 Unless otherwise specified herein, any action requiring the approval of Members shall be approved with a Vote of Class A Members.

2.4.3 Notwithstanding anything in this Section 2.4 to the contrary, the vote of Members required to amend or waive any provision of this Agreement shall be as set forth in Section 12.1.

2.4.4 The Profits Interest Units shall have no voting rights or rights of approval, veto or consent or similar rights over any actions of the Company. Except as may be required by Section 12.1, to the extent this Agreement expressly provides for the vote, approval, veto or consent with respect to any actions of the Company, only the holders of Common Units will be entitled to vote on any matters requiring a vote, consent or other action of the Members.

2.5 Record of Unit Holdings. Schedule I sets forth the outstanding Units and the holders thereof as of the date of this Agreement, which shall be updated by the Company from time to time to reflect additional issuances or changes in ownership thereof.

2.6 Additional Classes. In addition to the Units authorized, created and issued as of the date hereof, the Company may, subject to the restrictions herein, authorize, create and issue additional classes of securities as the Management Committee shall determine in its sole and absolute discretion and without the approval of any Member with such designations, preferences and relative, participating, optional or other special rights, voting rights, powers and duties, including rights, powers and duties senior to the then

outstanding Units, as shall be fixed by the Management Committee and which may include (but shall not be limited to), additional classes of securities reflecting additional Capital Contributions, to which the assets and liabilities and income and expenditure attributable or allocated to such class shall be applied or charged. Notwithstanding anything to the contrary contained herein, the Management Committee is authorized to amend this Agreement, without any action on the part of any Member, as necessary to reflect the designations, preferences and relative, participating, optional or other special rights, voting rights, powers and duties of any additional class of securities. Incurring, authorizing, designating or issuing additional debt (including debt refinancings) or Equity Securities of the Company shall require the approval of the Management Committee pursuant to Section 6.2.

2.7 Business Combinations. Notwithstanding anything to the contrary contained herein other than the provisions of Exhibit B hereto, the Management Committee shall have the authority to approve any merger, consolidation or other business combination transaction involving the Company, and the Members shall have no voting rights or rights of approval, veto or consent or similar rights in connection with any such merger, consolidation or other business combination transaction; provided, that, upon the consummation of any such transaction each Member shall be entitled to receive the same proportion of the aggregate consideration from such transaction that such Member would have received if such aggregate consideration had been distributed by the Company as a distribution pursuant to Section 7.2 as in effect immediately prior to such transaction or, if such consideration is to be distributed in a different manner, 66⅔% of any adversely affected class, series or group of Common Units or Profits Interest Units shall have given their prior written approval of the manner of distribution. Notwithstanding anything to the contrary contained herein, the Management Committee is authorized to amend this Agreement, without any action on the part of any Member, to the extent necessary to implement any such merger, consolidation or other business combination transaction; provided, that if such amendment amends the provisions of Article 7 in a manner that would be adverse to any class, series or group of Common Units or Profits Interests Units (without having a similar adverse effect on the holders of all Units), such amendment shall not be effective without the prior written approval of more than 66⅔% of the affected class, series or group of Common Units or Profits Interest Units.

ARTICLE 3
MEMBERSHIP

3.1 Members. The Members of the Company and their respective interests in the Company shall be as set forth in Schedule I hereto, as updated from time to time.

3.2 Additional Members. Subject to Section 4.6, one or more Additional Members of the Company may be admitted to the Company as a Member upon the approval of the Management Committee, and such Persons shall be admitted as Members of the Company; provided, that they execute a counterpart signature page to this Agreement agreeing to be bound by the terms of this Agreement.

3.3 Resignation or Withdrawal of a Member. Except as specifically provided in this Agreement, no Member shall have the right to resign or withdraw from membership in the Company or withdraw its interest in the capital of the Company.

3.4 Disassociation of a Member. The incapacity, death, Bankruptcy or Dissolution of a Member: (a) will cause such Member to become a Disassociated Member; and (b) will terminate the continued membership of such Member in the Company. If any Member becomes a Disassociated Member, the Disassociated Member or its legal representative, successor or assign may request admission to the Company as a Substitute Member pursuant to Section 4.2. If no request for Substitute Member status is made or granted pursuant to Section 4.2, the Disassociated Member or its legal representative, successor or assign shall thereafter have only those rights of an Assignee under this Agreement.

3.5 Meetings of Members. Meetings may be held, if at all, in any manner and at any date, time or place as may be authorized by a Vote of Class A Members, including by written consent of Members whose affirmative vote would constitute the approval required to be taken on the action. Notice of the time and place of a meeting shall be delivered to each Member at least 24 hours in advance. If any action is taken without the express written consent of all Members, the Company shall promptly notify any Members whose consent was not solicited or received of such action.

3.6 No Authority as Agent. No Member shall have the authority, in its capacity as a Member, to enter into any transaction on behalf of the Company or to otherwise bind the Company except as provided in Article 6 hereof.

3.7 Investment Opportunities.

3.7.1 If the Company offers, at any time following the date hereof, to any Unitholder an opportunity to invest in projects or acquisitions proposed to be undertaken by the Company or its Subsidiaries, it will, within 15 Business Days of such offer, provide written notice of such offer, as well as the same opportunity to invest, to each other Unitholder; provided, that the foregoing shall not apply to the Management Services Agreement. Each Unitholder will be entitled to invest a pro rata amount of the total amount to be invested by all Unitholders (which amount may be determined by the Company in its sole discretion) reflecting the aggregate number of outstanding Common Units held by such Unitholder, compared to the aggregate number of outstanding Common Units held by all participating Unitholders.

3.7.2 If the Company enters into any side letter or similar agreement with any Unitholder, in its capacity as such, the Company shall, within 30 days of entering into such side letter or similar agreement, provide a copy of such side letter or similar agreement to each other Member or Unitholder that is not a party to such side letter or similar agreement and provide such other Unitholders the opportunity to participate in such side letter or similar agreement on the terms set forth therein. The foregoing shall not apply to the Management Services Agreement.

ARTICLE 4
TRANSFERS; ASSIGNMENTS

4.1 Restrictions on Transfers of Company Units.

4.1.1 No Unitholder shall, directly or indirectly, sell, assign, pledge, mortgage or otherwise dispose of or transfer its Units, whether in whole or in part, (collectively, "***Transfer***"), unless (a) such Transfer is a Permitted Transfer, (b) such Transfer is effected pursuant to the "Drag-Along Rights" or "Tag-Along Rights" provisions set forth in Section 1 and Section 2 of Exhibit B, (c) in the case of a Transfer by a Key Holder other than a Transfer described in (a) or (b) above, the transferor complies with the "Right of First Offer" provisions set forth in Section 4 of Exhibit B, (d) pursuant to any repurchase rights set forth in any applicable Award Agreement or (e) in the case of a Transfer by a Unitholder other than a Key Holder, the Management Committee shall have granted its express written consent to such Transfer, which consent may be withheld or conditioned for any or for no reason.

4.1.2 Notwithstanding Section 4.1.1, a Member may not Transfer any of his or her Profits Interest Units other than (a) with the prior written consent of the Management Committee (which consent shall be granted or withheld in the sole discretion of the Management Committee without regard to the best interests of any Member), (b) to the Company, (c) pursuant to any repurchase rights set forth in any applicable Award Agreement or (d) pursuant to the "Drag-Along Rights" or "Tag-Along Rights" provisions set forth in Section 1 and Section 2 of Exhibit B

4.1.3 Notwithstanding Section 4.1.1 and Section 4.1.2, no Transfer of Units shall be permitted (a) if the transferee is not a United States Person within the meaning of Section 7701(a)(30) of the Code (unless the Management Committee shall have provided its consent to such Transfer) or (b) if it would cause all or any portion of the assets of the Company to (i) constitute "plan assets" (for purposes of Title I of ERISA, Section 4975 of the Code or any applicable Similar Law) or (ii) be subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, or of any applicable Similar Law.

4.2 Admission of Substitute Members. An Assignee of Units of the Company shall be admitted as a Substitute Member if (a) the Assignee is an Affiliate of a Key Holder, (b) with the approval of the Management Committee, or (c) the Assignee received the Units in a Permitted Transfer. If so admitted, the Substitute Member shall have, with respect to the Units so assigned, all the rights and powers and shall be subject to all the restrictions and liabilities the Member who assigned such Units had by virtue of such Member's ownership of the assigned Units. The admission of a Substitute Member shall not release any Member who assigned such Units from liability to the Company that may have arisen prior to the Transfer.

4.3 Rights of Assignees. Unless it is a Substitute Member, the Assignee of any Units shall have no right to vote on, consent to, approve or participate in the determination of any matter, or to otherwise participate in the management of the business and affairs of the Company or to become a Member. Unless it is a Substitute Member, the Assignee is only entitled to receive distributions (including its return of capital) and to be allocated the Profits and Losses attributable to the Units assigned to the Assignee.

4.4 Effect of Transfer of Units on Capital Accounts. In the case of any Transfer of Units, the Assignee shall also succeed to the Capital Account of the previous holder thereof in respect of such Units. The determination of the Capital Account associated with any Units that have been assigned shall be made by the Tax Matters Member in good faith and in a manner consistent with the books and records of the Company.

4.5 Transfers in Compliance with Law. Notwithstanding any provision hereof to the contrary, no sale or other disposition of an interest in the Company may be made except in compliance with all federal, state and other applicable laws, including federal and state securities laws and no Transfer will be valid if it would cause the Company to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code and the regulations thereunder.

4.6 Preemptive Rights.

4.6.1 If the Company proposes to issue additional Equity Securities to any Person other than any direct or indirect Subsidiary of the Company, the Company shall deliver to each Key Holder (each, a "***Participating Member***") a written notice of such proposed issuance at least 20 days prior to the date of the proposed issuance (the "***Subscription Notice***"). Such notice shall include, to the extent applicable, (i) the amount, kind and terms of the Equity Securities to be included in the issuance, (ii) the price of the Equity Securities to be included in the issuance and (iii) the proposed issuance date, if known.

4.6.2 Each Participating Member shall have the option, by delivering an irrevocable written notice (a "***Subscription Acceptance***") to the Company within 15 Business Days after the Subscription Notice is delivered to such Participating Member, to irrevocably subscribe for, on the same terms as those of the proposed issuance of such additional Equity Securities, such number or amount, as applicable, of Equity Securities as is equal to the product of (i) the number or amount of such additional Equity Securities to be offered multiplied by (ii) a fraction the numerator of which is the number of Common Units owned by such Participating Member and the denominator of which is the number of Common Units owned by all Participating Members, in each case, on the same terms and conditions as are

to be provided to the proposed purchaser in the issuance in question. Each Participating Member who does not exercise such option in accordance with the above requirements shall be deemed to have waived all of such Participating Member's rights with respect to such issuance.

4.6.3 If at the end of the 90th day after the date of the effectiveness of the notice contemplated by Section 4.6.1 above as such period may be extended to obtain any required regulatory approvals, the Company has not completed the issuance, each Participating Member shall be released from such Participating Member's obligations under the written commitment, the notice shall be null and void, and it shall be necessary for a separate notice to be furnished, and the terms and provisions of this Section 4.6 separately complied with, in order to consummate such issuance.

4.6.4 Notwithstanding the requirements of this Section 4.6, the Company may proceed with the issuance of any Equity Securities that would otherwise be subject to this Section 4.6 prior to having complied with the provisions of Sections 4.6.1 and 4.6.2; provided, that the Company shall:

(a) provide to each Participating Member in connection with such issuance (i) prompt notice of such issuance and (ii) the Subscription Notice described in Sections 4.6.1; and

(b) offer to issue (or have Transferred) to each Participating Member such number of Equity Securities of the type issued in the issuance as may be requested by such Participating Member (not to exceed the number of Equity Securities that such Participating Member would have been entitled to purchase pursuant to Section 4.6.2 (after giving effect to the issuance of any Equity Securities under this Section 4.6.4(b)) if the Company had delivered a Subscription Notice, and such Participating Member had properly exercised its rights under Section 4.6.2 in full, prior to the issuance) on the same economic terms and conditions with respect to such Equity Securities as the subscribers in issuance received and subject to the delivery by such Participating Member of a Subscription Acceptance within 7 days after the Subscription Notice is received by such Participating Member.

4.6.5 The provisions of this Section 4.6 shall not apply to issuances by the Company as follows:

(a) any issuance of securities upon the exercise or conversion of any Equity Securities outstanding on the date hereof or issued after the date hereof in a transaction that complied with the provisions of this Section 4.6 or for which the provisions of this Section 4.6 did not apply;

(b) any issuance of Equity Securities to officers, employees, directors or consultants of the Company or any of its Subsidiaries in connection with such Person's employment or consulting arrangements with the Company or its Subsidiaries;

(c) any issuance of Equity Securities, (A) in connection with any direct or indirect business combination or acquisition transaction involving the Company or any of its Subsidiaries, including with respect to a Third Party Organic Transaction, (B) in connection with any joint venture or strategic partnership or (C) to financial institutions, commercial lenders, broker/finders or any similar party, or their respective designees, in connection with the incurrence or guarantee of indebtedness by the Company or any of its Subsidiaries;

(d) any issuance of Equity Securities in connection with any Unit split, Unit dividend or distribution or recapitalization transaction;

(e) any issuance of Equity Securities in connection with any transaction undertaken pursuant to Section 4.7, Section 7.3 or Section 12.2; or

4.6.6 The provisions of this Section 4.6 shall terminate upon the earlier of (i) the consummation of a Public Offering and (ii) the listing of Units on a United States national securities exchange not involving a Public Offering.

4.7 ERISA Matters. Anything else contained herein to the contrary notwithstanding, if the Management Committee determines that the continued participation of any ERISA Member in the Company would be reasonably likely to result in (i) a material violation of the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA, Section 4975 of the Code or any applicable Similar Law, in each case, with respect to such ERISA Member or (ii) all or any portion of the assets of the Company being characterized as Plan Assets (each of clauses (i) and (ii) being an "***ERISA Event***"), then the Company shall notify such ERISA Member of such ERISA Event and the Company shall take or permit such actions as the Management Committee deems in good faith to be necessary or appropriate to prevent or cure such result. In no event shall uniformity of treatment with respect to all ERISA Members be required, but no ERISA Member shall be deprived of the value of its Membership Interests.

4.8 Involuntary Transfers. Except as otherwise provided in this Agreement, any Transfer of title or beneficial ownership of any Units held by a Management Member upon default, foreclosure, forfeit, divorce, court order or other than by a voluntary decision (other than death) on the part of a Management Member (each, an "***Involuntary Transfer***") shall be void unless that Management Member complies with this Section 4.8 and enables the Company to exercise its full rights hereunder and the Person to whom such Units have been Transferred (the "***Involuntary Transferee***") executes an addendum agreement in form and substance reasonably satisfactory to the Company. Upon any Involuntary Transfer, the Company shall have the right to purchase such Units pursuant to this Section 4.8 and the Person to whom such Units have been Transferred shall have the obligation to sell such Units in accordance with this Section 4.8. Upon the Involuntary Transfer of any Units, such Management Member shall promptly (but in no event later than 2 Business Days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of the notice described in the preceding sentence, and for 90 Business Days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all (but not less than all) of the Units acquired by the Involuntary Transferee for a purchase price equal to the lesser of (a) the fair market value of such Units (as determined by the Management Committee in its sole discretion) and (b) the amount of the indebtedness or other liability that gave rise to the Involuntary Transfer, plus the excess, if any, of the Carrying Value of such Units over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer. For purposes of this Section 4.8, "***Carrying Value***" means with respect to any Units purchased by the Company, the value equal to the Capital Contribution, if any, made by the selling Management Member in respect of any such Units less the amount of distributions made in respect of such Units. Subject to the approval of the Management Committee, the Company shall be permitted to assign all or a portion of its right to purchase under this Section 4.8 to any Member or any of its Affiliates.

ARTICLE 5
CAPITAL ACCOUNTS; CAPITAL CONTRIBUTIONS

5.1 Capital Accounts. A separate Capital Account shall be maintained for each Unitholder by the Company in accordance with this Agreement and the rules of Section 704 of the Code and the Treasury Regulations thereunder. Capital Accounts shall not govern distributions by the Company to the Unitholders, it being understood that Capital Accounts shall be maintained solely to assist the Company in allocating tax items of the Company.

5.2 Initial Capital Contributions; Conversion of Common Units; Profits Interest Units.

5.2.1 As of the date hereof, each Class A Member has surrendered its Notes for cancelation, and, in exchange for such surrender and cancelation, the Company has issued to each Class A Member the number of Class A Common Units set forth opposite each such Class A Member's name on Schedule I hereto. The Initial Class A Liquidation Preference of the Class A Common Units held by each Class A Member is set forth opposite each such Class A Member's name on Schedule I hereto.

5.2.2 As of, and effective upon, the date hereof, each issued and outstanding Common Unit (as defined in the Amended and Restated Operating Agreement) held by Can-China and Mercuria immediately prior to the effectiveness of this Agreement shall be automatically reclassified as and become one Class B Common Unit. As of the date hereof, each Class B Member holds the number of Class B Common Units set forth opposite each such Class B Member's name on Schedule I hereto.

5.2.3 As of, and effective upon, the date hereof, each issued and outstanding Common Unit (as defined in the Amended and Restated Operating Agreement) held by First Reserve immediately prior to the effectiveness of this Agreement shall be automatically reclassified as and become one Class C Common Unit. As of the date hereof, each Class C Member holds the number of Class C Common Units set forth opposite each such Class C Member's name on Schedule I hereto.

5.2.4 At or following the date hereof, subject to the terms and conditions set forth in this Agreement, the Management Incentive Plan and each applicable Award Agreement provided pursuant to the Management Incentive Plan, the Company may issue Profits Interest Units. The holders of Profits Interest Units shall not be required to make any Capital Contribution to the Company in exchange for such Profits Interest Units.

5.3 Additional Contributions. No Unitholder shall be required to make an additional capital contribution without the consent of such Unitholder.

5.4 Return of Capital Contributions. Except as otherwise provided in Article 7, (a) a Unitholder is not entitled to the return of any part of its capital contributions or to be paid interest in respect of either its Capital Account or its capital contributions, (b) an unrepaid capital contribution is not a liability of the Company or of any Unitholder, and (c) a Unitholder is not required to contribute or to lend any cash or property to the Company to enable the Company to return any Unitholder's capital contributions.

ARTICLE 6
MANAGEMENT

6.1 Management Authority. The business and affairs of the Company shall be managed by or under the direction of a body of managers under the Act comprising a "***Management Committee***." Except as specifically set forth in this Agreement or Exhibit B hereto, the Management Committee shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes of the Company described herein, including all powers, statutory or otherwise, possessed by managers of a limited liability company under the laws of the State of Delaware. Except as otherwise required by law, approval of any action by the Management Committee in accordance with this Agreement shall constitute approval of such action by the Company. Except as otherwise expressly provided in this Agreement, no Member or Representative shall have the authority to bind the Company. Except as specifically set forth in this Agreement, the Management Committee shall have plenary authority to cause the Company to do, or cause to be done, all acts and actions which in their sole judgment are necessary, proper, convenient or desirable in order to operate and conduct the Company's business and to carry out and fulfill the purposes of the Company in accordance with this Agreement.

6.2 Management Committee.

6.2.1 Action.

(a) At any meeting of the Management Committee at which there is a quorum (or in connection with any written consent in accordance with Section 6.2.3(g)), except as otherwise expressly provided in this Agreement or Exhibit B hereto where the approval of a greater number of the votes entitled to be voted by all Representatives is required, any action to be taken or approved by the Management Committee shall be deemed to be taken or approved if approved by the affirmative vote of a majority of the votes entitled to be voted by all the Representatives. While a Class A Member that has rights to designate a Representative pursuant to Section 6.2.3 has not designated a Representative, the votes of the Representative such Class A Member is entitled to designate shall not be counted for any purpose under this Agreement, including for purposes of determining the number of votes of Representatives that would be entitled to vote on or approve any matter hereunder or in determining whether any quorum requirement has been satisfied; provided, that upon the resignation, removal, death or incapacity of a Representative, the Member who appointed such Representative shall not be deemed to have not designated a Representative until 30 days after such resignation, removal, death or incapacity.

(b) Notwithstanding the first sentence of Section 6.2.1(a), none of the following actions shall be taken or approved by the Management Committee, or taken by the Company or any Subsidiary of the Company without the written approval of at least 66⅔% of the votes entitled to be voted by all the Representatives:

(A) the Company or any Subsidiary, on the one hand, and any Member or Affiliate of a Member, on the other hand, entering into or amending any material agreement or entering into any other material transaction (including any merger, consolidation or other business combination or refinancing or recapitalization), except (i) agreements or transactions between or among the Company and its Subsidiaries, or between or among Subsidiaries of the Company, (ii) distributions by the Company to the Members in accordance with this Agreement, (iii) issuances of additional Units (or Equity Securities convertible or exchangeable into additional Units) by the Company in accordance with this Agreement, (iv) compensation arrangements (including equity incentive compensation) with officers and employees of the Company and its Subsidiaries, (v) transactions which are entered into in the ordinary course of business with Affiliates of any Member on terms which are commercially reasonable and no less favorable to the Company or any Subsidiary than would be obtained in a comparable arm's-length transaction with an unrelated third party, (vi) indebtedness for borrowed money permitted by Section 6.2.1 (b)(B), (vii) the entry into the RBL Facility and consummation of the transactions contemplated thereunder and (viii) the entry into the Joint Development Agreement and consummation of the transactions contemplated thereunder;

(B) the Company or any Subsidiary, incurring indebtedness for borrowed money except (i) indebtedness for borrowed money incurred pursuant to the RBL Facility, the ARD Term Loan Credit Agreement or the PDC Notes or any other credit facilities, indentures, or other agreements existing on the Closing Date, (ii) indebtedness for borrowed money that refinances restates, modifies or amends any indebtedness for borrowed money of the Company or any of its Subsidiaries, (iii) intercompany indebtedness of the Company and its Subsidiaries, or (iv) trade payables or credit or other similar indebtedness;

(C) the Company authorizing, designating or issuing any Equity Securities (other than authorizations, designations or issuances of Profits Interest Units); or

(D) any voluntary dissolution, liquidation or winding up of the Company.

(c) Notwithstanding the first sentence of Section 6.2.1(a), none of the following actions shall be taken or approved by the Management Committee, or taken by the Company without the written approval of each Class B Member:

(A) the Company issuing any Class B Common Units.

6.2.2 Meetings of the Management Committee. Meetings of the Management Committee may be held, if at all, in any manner and at any date, time or place as may be authorized by the Management Committee. Notice of the time and place of any regularly scheduled meeting shall be delivered to the Representatives and to the Class A Members at least 14 days in advance, and notice of the time and place of any special meeting as well as instructions for teleconference participation shall be delivered to the Representatives and to the Class A Members at least 72 hours in advance. Unless waived by each Representative, the Company shall provide any written materials or "board books" for such meeting, if any, to each Representative at least 24 hours in advance of each meeting of the Management Committee. Proposals to the Management Committee may be made by the CEO or any Representative or group of Representatives with aggregate voting power representing at least 20% of the outstanding Class A Common Units that would be entitled to vote on the applicable proposal.

6.2.3 Constitution of Management Committee.

(a) Number; Qualifications; Etc. The Management Committee shall consist of the following Representatives:

(A) (i) two Representatives appointed by First Reserve if and for so long as the number of Class A Common Units owned directly or indirectly by First Reserve is more than 25% of the outstanding Class A Common Units and (ii) one Representative appointed by First Reserve if and for so long as the number of Class A Common Units owned directly or indirectly by First Reserve is less than or equal to 25% of the outstanding Class A Common Units and more than 5% of the outstanding Class A Common Units;

(B) if and for so long as the number of Class A Common Units owned directly or indirectly by any other Member, either individually or in the aggregate with any other Members who are Affiliates of such first Member (the latter being considered for this purpose to be "***Group Members***"), is equal to or greater than 5% of the outstanding Class A Common Units, one Representative appointed by such Member or Group Members;

(C) one Representative appointed collectively by the Class A Members (together with their Group Members) that each own less than 5% of the outstanding Class A Common Units (who shall be appointed with the written consent of such Class A Members representing on a combined basis more than 50% of the aggregate number of Class A Common Units outstanding held by such Class A Members); and

(D) one non-voting Representative who shall be the CEO.

Such Persons shall serve as Representatives until their death, disability, removal (under the terms of this Agreement) or resignation. Each Member shall have the right to direct any Representative(s) affiliated with it to act in such Member's best interests when voting on or consenting to a given matter and, to the fullest extent permitted by law and subject to the terms and conditions of this Agreement, such Representatives shall not have any duty to act in the best interests of the Company when voting on or consenting to such a matter. To the fullest extent permitted by law, such Representatives shall not be deemed an agent or sub-agent of the Company. No Representative shall have the authority in its capacity as a Representative to

enter into any transaction on behalf of the Company. Unless otherwise provided for by the Management Committee, no Representative is entitled to remuneration by the Company for his or her activities as a Representative.

(b) Voting. On all matters presented to the Management Committee, each Representative (other than the First Reserve Representatives and the CEO) shall have a number of votes equal to the number of outstanding Class A Common Units held by the Class A Member or Class A Members that appointed such Representative, and such Representative shall cast such votes as directed by the Class A Member or Class A Members in a written direction executed by the applicable Class A Member and delivered to the Management Committee. The First Reserve Representatives shall collectively have a number of votes equal to the number of outstanding Class A Common Units held by First Reserve, and such First Reserve Representatives shall cast all such votes as directed by First Reserve in a written direction executed by First Reserve and delivered to the Management Committee. A single First Reserve Representative may vote for any or all First Reserve Representatives, whether or not such other First Reserve Representative is present. The CEO shall have no voting or consent rights on the Management Committee. In no event will unanimous approval of the Management Committee be required for any action to be taken or approved by the Management Committee, whether at a meeting of the Management Committee, by consent in writing or otherwise.

(c) Resignation. Any Representative may resign at any time by giving written notice of his or her resignation to the Company. The resignation of any Representative shall take effect upon receipt of that notice or at such later time as specified in the notice.

(d) Removal. Any Representative may be removed at any time, with or without cause, at the sole discretion of the Members or Persons that originally appointed the Representative.

(e) Vacancies. A vacancy on the Management Committee may only be filled by the Members or Persons that originally appointed the Representative whose death, disability, removal or resignation created such vacancy.

(f) Quorum. Representatives having a majority of the voting power of all Representatives shall constitute a quorum for the transaction of business of the Management Committee.

(g) Action by Written Consent or Telephone Conference. Any action permitted or required by the Act, the certificate of formation of the Company or this Agreement to be taken at a meeting of the Management Committee or any committee designated by the Management Committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by the Representatives or representatives of such other committee, as the case may be, with voting power sufficient to take such action if taken at a meeting of the Management Committee. If such written consent is not signed by all Representatives of the Management Committee or representatives of such other committee, the Company shall provide notice at least 24 hours in advance of taking such action by written consent to each Representative or representative of such other committee not signing any such consent. Such consent shall have the same force and effect as a vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State of Delaware, and the execution of such consent shall constitute attendance or presence in person at a meeting of the Management Committee or any such other committee, as the case may be. Subject to the requirements of this Agreement for notice of meetings, the Representatives, or representatives of any other committee designated by the Management Committee, may participate in and hold a meeting of the Management Committee or any such other committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a Person participates in the meeting for

the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(h) Information Requests. The Company shall provide such information as may reasonably be requested by any Representative in his or her capacity as a Representative or any Class A Member in its capacity as a Class A Member.

6.3 Officers and Employees. The Management Committee shall appoint such officers and employees of the Company as it deems necessary or desirable, at any time or from time to time. The officers shall serve at the pleasure of the Management Committee, and any officer may be removed by the Management Committee in conformity with the terms of such officer's employment agreement. The officers shall exercise such powers and perform such duties as specified in this Agreement and as shall be determined from time to time by the Management Committee. The day-to-day business, affairs, operations and activities of the Company shall, subject to the direction, control and supervision of the Management Committee, be managed by such officers and employees of the Company as shall be designated or appointed from time to time by the Management Committee as provided herein.

6.4 Replacement of Auditor or Petroleum Engineer.

6.4.1 If the Company replaces the existing external independent auditor of the Company and its Subsidiaries, the Company shall use commercially reasonable efforts to appoint an Approved Auditor as the replacement auditor.

6.4.2 If the Company replaces the existing external petroleum engineer of the Company and its Subsidiaries, the Company shall use commercially reasonable efforts to appoint an Approved Petroleum Engineer as the replacement petroleum engineer.

6.5 Management Committee Observer. The Management Committee shall have the authority to from time to time designate observers to the Management Committee with such rights and obligations as may be agreed between the Company and any such observer. Any such observer shall be subject to the same obligations of confidentiality as Representatives with respect to all information obtained in their capacity as an observer. Any such observer shall not be a Representative and shall have no voting or consent rights.

6.6 Committees. The Management Committee may designate one or more committees, each committee to consist of one or more of the Representatives. In the event of the disqualification, resignation or removal of a committee member, the Management Committee may appoint another member of the Management Committee to fill such vacancy. Any such committee, to the extent provided in the Management Committee's resolution establishing such committee, shall have and may exercise all the powers and authority of the Management Committee in the management of the Company's business and affairs subject to any limitations contained herein or in the Act. Such committee or committees shall have such name or names as may be determined from time to time by the Management Committee. The voting power of members of any committee shall be consistent with the provisions of Section 6.2.3(b) above. Each committee shall keep regular minutes of its meetings and report the same to the Management Committee and the Secretary of the Company, if one is so elected, when required. Each Representative shall have the right, but not the obligation, to serve on all committees of the Management Committee.

6.7 Tax Covenants.

6.7.1 The Management Committee shall use reasonable best efforts to cause the Company and its Subsidiaries not to engage, directly or indirectly, in a transaction that, as of the date the

transaction is entered into, is a "listed transaction", a "prohibited reportable transaction", or a "subsequently listed transaction" (each as defined in Section 4965(e) of the Code). If the Management Committee has actual knowledge that the Company or its Subsidiaries has engaged, directly or indirectly, in a transaction that is a "listed transaction", a "prohibited reportable transaction", or a "subsequently listed transaction" (each as defined in Section 4965(e) of the Code) it shall promptly notify the Unitholders of such determination.

6.7.2 Prior to the Company (i) making an investment outside of the United States or investing in a tax transparent entity organized within the United States with operations outside of the United States, or (ii) establishing an office outside of the United States, the Management Committee shall obtain the advice of a reputable qualified tax professional that making such investment or establishing such office should not (in light of the then existing law) cause any Unitholder (or any direct or indirect owner of any Unitholder) to be directly subject to (i) tax (on a net income basis) in any foreign jurisdictions and (ii) any tax filing obligation in any foreign jurisdictions (other than tax filings necessary to establish treaty protection, to obtain an exemption from or a reduction in a withholding tax, or to claim a refund), in each case, solely as a result of such Unitholder's ownership of Units. If, notwithstanding the Management Committee's receipt of any such advice, the Management Committee has actual knowledge that, as a direct result of an investment by, or activity of, the Company, a Unitholder is required to file a tax return in any jurisdiction outside the United States solely as a result of its ownership of Units, the Management Committee shall notify the Unitholders as promptly as practicable after obtaining such knowledge.

6.7.3 The Management Committee shall notify the Unitholders if the Company or its Subsidiaries owns an interest in an entity that the Management Company actually knows that is a "passive foreign investment company" as defined in Section 1297 of the Code (a "***PFIC***"). In such event, the Management Committee shall (i) notify the Unitholders, and (ii) if the Management Committee determines, in its sole discretion exercised in good faith, that making a "qualified electing fund" ("***QEF***") election with respect to such entity pursuant to Section 1295 of the Code would be in the best interests of the Company, then the Management Committee shall use commercially reasonable best efforts to cause the PFIC to provide to the Company and its Subsidiaries such statements that will enable the Company or its Subsidiaries to make a QEF election with respect to such entity pursuant to Section 1295 of the Code and to make such election.

6.7.4 The Management Committee shall use commercially reasonable best efforts to provide any Unitholder with any tax information reasonably requested by such Unitholder and reasonably necessary for such Unitholder (or its direct or indirect owners) to comply with its tax return filing, withholding or information reporting obligations, including without limitation, information regarding estimates of taxable income, information with respect to the Company's unrelated business taxable income, income effectively connected with a trade or business within the United States, and/or fixed or determinable annual or periodical income, and the state source of any Company income.

ARTICLE 7
DISTRIBUTIONS

7.1 Tax Distributions. Subject to Section 7.5, to the fullest extent possible without impairing the ability of the Company to continue to conduct its business and activities, and in order to permit Unitholders to pay taxes on their allocable share of the taxable income of the Company, determined without regard to limitations on the allowance of deductions applicable to a particular Unitholders, the Company shall, as determined by the Tax Matters Member in good faith, make quarterly distributions, to the extent there is available cash to each Unitholder in an amount equal to the excess, if any, of (a) the estimated cumulative tax liability of each Unitholder on the cumulative taxable income, gains, losses, deductions and credits of the Company solely attributable to periods from and after the Effective Date through the end of

such quarter allocable to such Unitholder (and such Unitholder's predecessors in interest) for U.S. income tax purposes, computed as if each Unitholder paid income tax at the highest marginal U.S. federal, state and local tax rate (taking into account the character of the income recognized but disregarding the deductibility of state and local income taxes for federal income tax purposes) applicable to an individual, or, if higher, a corporation, resident of New York, New York, over (b) any prior distributions made to such Unitholder (and such Unitholder's predecessors in interest) pursuant to this Article 7; provided, however, that distributions under this Section 7.1 shall not be made following an event resulting or reasonably expected by the Tax Matters Member to result in the dissolution of the Company. Distributions to a holder under this Section 7.1 shall be treated as advance distributions of amounts otherwise remaining to be distributed to such Unitholders as set forth in Section 7.2.

7.2 Distributions.

7.2.1 Subject to Section 7.1 and except as set forth in Article 11 with respect to distributions made following the dissolution of the Company, the Management Committee may cause the Company to make distributions to the Unitholders to the extent that the cash available to the Company is in excess of the reasonably anticipated needs of the business (including reserves determined by the Management Committee). Any such distributions shall be made as provided below:

(a) *first*, to holders of Class A Common Units, *pro rata* in respect of the percentage of outstanding Class A Common Units held by each such Unitholder, until such time as the holders of Class A Common Units have received aggregate distributions equal to their aggregate Initial Class A Liquidation Preference;

(b) *second*, 87% to the holders of Class A Common Units, *pro rata* in respect of the percentage of outstanding Class A Common Units held by each such Unitholder and 13% to the holders of Profits Interest Units, *pro rata* in respect of the percentage of outstanding Profits Interest Units held by each such Unitholder, until such time as an amount equal to the aggregate Additional Class A Liquidation Preference has been distributed to the holders of Class A Common Units;

(c) *third*, the Class A Sharing Percentage to the holders of Class A Common Units, *pro rata* in respect of the percentage of the aggregate outstanding Class A Common Units held by each such Unitholder, 87% minus the Class A Sharing Percentage to the holders of Class B Common Units, *pro rata* in respect of the percentage of the aggregate outstanding Class B Common Units held by each such Unitholder, and 13% to the holders of Profits Interest Units, *pro rata* in respect of the percentage of outstanding vested Profits Interest Units held by each such Unitholder, until such time as an amount equal to the aggregate Class B Liquidation Preference has been distributed to the holders of Class B Common Units;

(d) *fourth*, the Class A Sharing Percentage to the holders of Class A Common Units, *pro rata* in respect of the percentage of the aggregate outstanding Class A Common Units held by each such Unitholder, 87% minus the Class A Sharing Percentage to the holders of Class C Common Units, *pro rata* in respect of the percentage of the aggregate outstanding Class C Common Units held by each such Unitholder, and 13% to the holders of Profits Interest Units, *pro rata* in respect of the percentage of outstanding vested Profits Interest Units held by each such Unitholder, until such time as an amount equal to the aggregate Class C Liquidation Preference has been distributed to the holders of Class C Common Units; and

(e) *thereafter*, 87% to the holders of the Class A Common Units, Class B Common Units and Class C Common Units, *pro rata* in respect of the percentage of the aggregate outstanding Class A Common Units, Class B Common Units and Class C Common Units held by each such

Unitholder, and 13% to the holders of Profits Interest Units, *pro rata* in respect of the percentage of outstanding Profits Interest Units held by each such Unitholder.

7.2.2 Threshold Amounts. For purposes of Section 7.2.1 and Section 11.3, a Profits Interest Unit shall not be entitled to share or participate in any distributions pursuant to Section 7.2.1, and shall not be counted for purposes of calculating the applicable percentage of outstanding Units until such time as the aggregate amount of distributions made pursuant to Section 7.2.1 to the holders of the then issued and outstanding Units (other than the holder of such Profits Interest Unit) following the issuance of such Profits Interest Unit shall be equal to the Threshold Amount designated for such Profits Interest Unit. Any distributions required under this Agreement to be made to holders of Profits Interest Units shall only be made to holders of outstanding Profits Interest Units.

7.2.3 Transfers of Profits Interest Units. Notwithstanding anything in this Agreement to the contrary, any amounts paid to a holder of Profits Interest Units in connection with a redemption, repurchase or other Transfer (including in connection with a Drag-Along Sale) in accordance with this Agreement or any applicable Award Agreement shall be treated as an advance distribution of, and shall reduce by a like amount, the next amounts otherwise distributable to the holders of Profits Interest Units under Section 7.2.1.

7.2.4 Unvested Amounts. Notwithstanding anything in this Agreement to the contrary, any portion of any distribution to be made to a holder of Profits Interests Units under Section 7.2.1(b), Section 7.2.1(c), Section 7.2.1(d) or Section 7.2.1(e) that relates to a Profits Interests Unit that by the terms of any applicable Award Agreement is not vested (the "***Unvested Amount***") shall be set aside and held by the Company until the earlier of the vesting or forfeiture of such unvested Profits Interests Unit. In the event such unvested Profits Interests Unit vests with respect to such holder, the Unvested Amount shall be distributed to such holder upon (and to the extent of) such vesting. Upon (and to the extent of) a forfeiture of such unvested Profits Interests Unit, the Unvested Amount shall be distributed to all other holders that received distributions pursuant to the clause and at the time such Unvested Amount would have been made but for the operation of this Section 7.2.4, *pro rata* to such distributions.

7.3 Distributions in Kind. All distributions shall be made in cash or cash equivalents unless the Management Committee shall have approved a distribution of property in kind. Any such distribution shall be valued based on the fair market value of the property to be distributed as determined by the Management Committee in good faith within 90 days of the date of such distribution and shall be in accordance with Section 7.2.

7.4 Restrictions on Distributions. Except pursuant to Section 7.1, the Company shall not make any distribution to the Unitholders unless, immediately after giving effect to the distribution, the Company shall have sufficient cash available to meet the reasonably anticipated needs of the Company, as such needs are determined in the sole discretion of the Management Committee.

7.5 Return of Distributions Generally. Unitholders and Assignees who receive distributions made in violation of the Act or this Agreement shall return such distributions to the Company. Except as provided in Section 7.1, and except for those distributions made in violation of the Act or this Agreement, no Unitholder or Assignee shall be obligated to return any distribution to the Company or pay the amount of any distribution for the account of the Company or to any creditor of the Company. The amount of any distribution returned to the Company by a Unitholder or Assignee or paid by a Unitholder or Assignee for the account of the Company or to a creditor of the Company shall be added to the account or accounts from which it was subtracted when it was distributed to the Unitholder or Assignee.

7.6 No Other Withdrawals. Except as provided in this Article 7, no withdrawals or distributions shall be required or permitted.

ARTICLE 8
ALLOCATIONS

8.1 Allocation of Profits and Losses.

8.1.1 The Profits and Losses of the Company for each Fiscal Year or other relevant period of calculation, as determined by the Tax Matters Member in accordance with the provisions hereof, shall be allocated among the Unitholders in a manner such that the Capital Account of each Unitholder, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Unitholder pursuant to Section 7.2 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Gross Asset Values, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Gross Asset Values of the assets securing such liability), and the net assets of the Company were distributed in accordance with Section 7.2 to the Unitholders immediately after making such allocation, minus (ii) such Unitholder's share of partnership minimum gain and partner nonrecourse debt minimum gain (determined in accordance with Regulation Section 1.704-2), computed immediately prior to the hypothetical sale of assets.

8.1.2 Notwithstanding any other provision in this Agreement to the contrary, if there is a net decrease in partnership minimum gain or partner nonrecourse debt minimum gain (determined in accordance with the principles of Regulation Sections 1.704-2(d) and 1.704-2(i)) during any taxable year of the Company, each Unitholder shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its respective share of such net decrease during such year, determined pursuant to Regulations Sections 1.704-2(g) and 1.704-2(i)(5). The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f). This Section 8.1.2 is intended to comply with the minimum gain chargeback requirement in such Regulations Section and shall be interpreted consistently therewith, including that no chargeback shall be required to the extent of the exceptions provided in Regulations Section 1.704-2(f) and 1.704-2(i)(4).

8.1.3 Notwithstanding any other provision of this Agreement to the contrary (other than Section 8.1.2 above), if any Unitholder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to such Unitholder in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the deficit Capital Account balance of such Unitholder created by such adjustments, allocations or distributions as promptly as possible; provided, that an allocation pursuant to this Section 8.1.3 shall be made only if and to the extent that a Unitholder would have a deficit Capital Account balance in excess of such sum after all other allocations provided for in this Section 8.1 have been tentatively made as if this Section 8.1.3 was not in this Agreement. This Section 8.1.3 is intended to qualify with the "qualified income offset" requirement of the Regulations Section 1.704-1(b)(2)(ii).

8.1.4 If any Unitholder has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Unitholder is obligated to restore, if any, pursuant to any provision of this Agreement, and (ii) the amount such Unitholder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Unitholder shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 8.1.4 shall be made only if and to the extent that a Unitholder would have a deficit Capital Account in excess of such sum after all other allocations provided for in the definition of "***Capital Account***" or this Section 8.1 have been tentatively made as if Section 8.1.3 and this Section 8.1.4 were not in this Agreement.

8.1.5 Any partner nonrecourse deductions (determined in accordance with the principles of Regulations Section 1.704-2(i)(1)) for any Fiscal Year or other period shall be specially allocated to the Unitholder who bears the economic risk of loss with respect to the nonrecourse debt to which such nonrecourse deductions are attributable in accordance with Regulations Section 1.704-2(i)(1). Nonrecourse deductions (determined in accordance with the principles of Regulations Section 1.704-2(b)(1)) of the Company for any Fiscal Year or other period shall be allocated (as nearly as possible) under Treasury Regulation Section 1.704-2 to the holders of Common Units in proportion to the number of Common Units held by each Unitholder.

8.1.6 Simulated Depletion for each Depletable Property, and Simulated Loss upon the disposition of a Depletable Property, shall be allocated among the Unitholders in proportion to their shares of the Simulated Basis in such property. The Simulated Basis of each Depletable Property shall be allocated to each Unitholder in accordance with such Unitholder's Capital Interest Percentage as of the time such Depletable Property is acquired by the Company (and any additions to such Simulated Basis resulting from expenditures required to be capitalized in such Simulated Basis shall be allocated among the Unitholders in a manner designed to cause the Unitholders' proportionate shares of such Simulated Basis to be in accordance with their Capital Interest Percentages as determined at the time of any such additions), and shall be reallocated among the Unitholders in accordance with the Unitholders' Capital Interest Percentages as determined immediately following the occurrence of an event giving rise to an adjustment to the Gross Asset Values of the Company's Depletable Properties pursuant to clause (ii) of the definition of "***Gross Asset Value***."

8.1.7 Any special allocations of items of income gain loss or deduction pursuant to Section 8.1.2, Section 8.1.3, Section 8.1.4, Section 8.1.5 or Section 8.1.6 shall be taken into account in computing subsequent allocations pursuant to this Agreement, so that the net amount of any items so allocated and all other items allocated to each Unitholder shall, to the extent possible, be equal to the net amount that would have been allocated to each Unitholder if such allocations pursuant to any allocation made to satisfy Section 8.1.2, Section 8.1.3, Section 8.1.4, Section 8.1.5 or Section 8.1.6 had not occurred. The Tax Matters Member shall take account of the fact that certain of such allocations will by operation of the governing provisions reverse themselves in a future period for purposes of applying this Section 8.1.7.

8.1.8 If the built-in gain in Company assets subject to nonrecourse indebtedness exceeds the gain described in Treasury Regulation Section 1.752-3(a)(2), the excess nonrecourse liabilities shall be allocated (a) first, among the Class C Members up to the amount of built-in gain that is allocable to the Class C Members on Section 704(c) Property and (b) second, among the Members in accordance with their interest in company profits as reasonably determined by the Management Committee.

8.2 Allocations upon Transfer. If, during an Accounting Period, a Unitholder transfers all or any portion of its Units to an Assignee, items of Profits and Losses, together with corresponding tax items, that otherwise would have been allocated to such Unitholder with regard to such Accounting Period shall be allocated between that Unitholder and the Assignee in accordance with their respective Units during the Accounting Period using any method permitted by Section 706 of the Code and selected by the Management Committee; provided, that the "closing of the books" method shall be selected with respect to the transactions contemplated by the Exchange.

8.3 Tax Treatment. The Unitholders expect and intend that the Company shall be treated as a partnership for all federal and state income tax purposes, and the Unitholders agree that they will not: (a) take a position on any federal, state, local or other tax return, or otherwise assert a position, inconsistent with such expectation and intent; or (b) elect for the Company to be treated as an association taxable as a corporation for tax purposes or do any other act or thing which could cause the Company to be treated as other than a partnership for federal income tax purposes. Each Unitholder agrees that it is solely responsible

and will timely pay all income and other taxes applicable to the receipt, ownership (including allocations of taxable income) and disposition of its Units.

8.4 Tax Allocations.

8.4.1 Unless otherwise required by Sections 704(b) and (c) of the Code or the Treasury Regulations promulgated thereunder, all items of income, gain, loss or deduction, as determined for federal, state and local tax purposes, shall be allocated among the Unitholders in the same manner as the corresponding items of income, gain, loss or deduction are allocated pursuant to Section 8.1.

8.4.2 In accordance with Section 704(c) of the Code and the applicable Treasury Regulations thereunder, any income, gain, loss or deduction with respect to any property contributed to the capital of the Company, or with respect to any property which has a Gross Asset Value different than its adjusted tax basis, shall, solely for federal income tax purposes, be allocated among the Unitholders so as to take into account any variation between the adjusted tax basis of such property and the Gross Asset Value of such property. The Management Committee shall cause the Company to elect any method of allocation permitted by Treasury Regulations Section 1.704-3 with respect to such allocation. Unitholders shall provide the Company with the adjusted tax basis of any property contributed to the Company to enable such allocation to be made.

8.4.3 Except as provided in Section 8.4.2, the Management Committee shall be authorized in its sole discretion to make appropriate adjustments to the allocations of items to comply with Section 704 of the Code and the Treasury Regulations thereunder. Allocations pursuant to this Section 8.4 are made solely for tax purposes and shall not offset, or in any way be taken into account in computing, any Unitholder's Capital Account balance or share of Company distributions. Each Member is aware of the income tax consequences of the allocations made by this Agreement and agrees to be bound by the provisions of this Article 8 in reporting its share of Company income and loss for income tax purposes. Except as provided in Section 8.4.2, the Management Committee also shall be authorized in its sole discretion to make all elections required or permitted to be made by the Company under the Code (including but not limited to an election under Section 754, Section 743(e) or Section 6226 of the Code and the safe harbor election provided for by the Proposed Revenue Procedure included in Notice 2005-43, or any similar election provided in a final revenue procedure or other published guidance relating to the compensatory transfer of partnership interests (the latter election, a "***Safe Harbor Election***"), in the manner that the Tax Matters Member determines will be most advantageous to the Company. Each Unitholder agrees to comply with all requirements of the Proposed Revenue Procedure included in Notice 2005-43, or any similar final revenue procedure or other published guidance relating to the compensatory transfer of partnership interests, if a Safe Harbor Election is made, in a manner consistent with such election.

8.5 Tax Allocations with Respect to Depletable Properties.

8.5.1 Cost and percentage depletion deductions with respect to any Depletable Property shall be computed separately by the Unitholders rather than the Company. For purposes of such computations, the U.S. federal income tax basis of each Depletable Property shall be allocated to each Unitholder in accordance with such Unitholder's Capital Interest Percentage as of the time such Depletable Property is acquired by the Company (and any additions to such U.S. federal income tax basis resulting from expenditures required to be capitalized in such basis shall be allocated among the Unitholders in a manner designed to cause the Unitholders' proportionate shares of such adjusted U.S. federal income tax basis to be in accordance with their Capital Interest Percentages as determined at the time of such additions), and shall be reallocated among the Unitholders in accordance with the Unitholders' Capital Interest Percentages as determined immediately following the occurrence of an event giving rise to an adjustment to the Gross Asset Values of the Company's Depletable Properties pursuant to clause (ii) of the definition

of "***Gross Asset Value***." The Company shall inform each Unitholder of such Unitholder's allocable share of the U.S. federal income tax basis of each Depletable Property promptly following the acquisition of such Depletable Property by the Company, any adjustment resulting from expenditures required to be capitalized in such basis, and any reallocation of such basis as provided in the previous sentence.

8.5.2 For purposes of the separate computation of gain or loss by each Unitholder on the taxable disposition of Depletable Property, the amount realized from such disposition shall be allocated (i) first, to the Unitholders in an amount equal to the Simulated Basis in such Depletable Property in proportion to their allocable shares thereof and (ii) second, any remaining amount realized shall be allocated consistent with the allocation of Simulated Gains.

8.5.3 The allocations described in this Section 8.5.3 are intended to be applied in accordance with the Unitholders' "interests in partnership capital" under Code Section 613A(c)(7)(D); provided that the Unitholders understand and agree that the Management Committee may authorize special allocations of federal income tax basis, income, gain, deduction or loss, as computed for U.S. federal income tax purposes, in order to eliminate the differences between Simulated Basis and adjusted U.S. federal income tax basis with respect to Depletable Properties, in such manner as determined consistent with the principles contained in Section 8.4.2. The provisions of this Section 8.5.3 and the other provisions of this Agreement relating to allocations under Code Section 613A(c)(7)(D) are intended to comply with Treasury Regulation Section 1.704-1(b)(4)(v) and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

8.5.4 Each Unitholder, with the assistance of the Company, shall separately keep records of its share of the adjusted tax basis in each Depletable Property, adjust such share of the adjusted tax basis for any cost or percentage depletion allowable with respect to such property and use such adjusted tax basis in the computation of its cost depletion or in the computation of its gain or loss on the disposition of such property by the Company. Upon the reasonable request of the Company, each Unitholder shall advise the Company of its adjusted tax basis in each Depletable Property and any depletion computed with respect thereto, both as computed in accordance with the provisions of this subsection for purposes of allowing the Company to make adjustments to the tax basis of its assets as a result of certain transfers of interests in the Company or distributions by the Company. The Company may rely on such information and, if it is not provided by the Unitholder, may make such reasonable assumptions as it shall determine with respect thereto.

8.6 Effect on Distributions. The provisions in this Agreement regarding the maintenance of Capital Accounts and allocations of Profits, Losses and other items of Company income, gain, loss or deduction are intended to effect an allocation of tax items of the Company that are in accordance with the Unitholders' "interests in the partnership" within the meaning of Treasury Regulations Section 1.704-1(b)(3) by utilizing the principles of allocation contained in Treasury Regulation Section 1.704-1(b)(2)(iv) and Treasury Regulation Section 1.704-2 with respect to maintenance of capital accounts and allocations, and shall be interpreted and applied accordingly. Capital Account balances shall not be used to determine the amount or timing of distributions to the Unitholders pursuant to the Agreement.

8.7 Audit Rules.

8.7.1 If the Company is subject to an audit or proceeding by the Internal Revenue Service under Chapter 63C of the Code (the "***Budget Act Audit Rules***"), or any successor provisions thereto, or if the Company has filed an administrative adjustment request under section 6227 of the Code, the Managing Member shall promptly notify the Members in writing of such audit, proceedings, or administrative adjustment and shall keep the Members reasonably informed of all material matters that come to its attention in respect thereof and as otherwise reasonably requested by the Members.

8.7.2 If the Managing Member is notified in writing within five (5) days of the date of this Agreement of a Member or a Member's parent's status as a "tax-exempt entity" within the meaning of Section 168(h)(2) of the Code, the Managing Member agrees that, in the event any adjustment by any United States federal, state or local taxing authority to any item of income, gain, loss, deduction or credit (or any partner's distributive share thereof) of the Company is determined, and any tax (or interest, penalty, addition to tax or additional amount) attributable thereto is assessed and collected, at the partnership level pursuant to Subchapter C of Chapter 63 of the Code as amended by the Bipartisan Budget Act of 2015 (or pursuant to any comparable or similar provision of United States state or local tax law), the Managing Member shall use commercially reasonable efforts to obtain a reduction to the extent available pursuant to Section 6225(c)(3) of the Bipartisan Budget Act of 2015 in any imputed underpayment that is allocable to such Member and shall, use commercially reasonable efforts to allocate to such Member the benefit of any such reduction when allocating such tax in accordance with the principles of Section 12.9. Such Member shall provide the Managing Member with any information or documentation reasonably requested by the Managing Member and necessary for the Managing Member to comply with this paragraph.

8.7.3 In the event of any item of income, gain, loss, deduction or credit (or any partner's distributive share thereof), and any tax (or interest, penalty, addition to tax or additional amount) attributable thereto that is assessed and collected at the partnership level pursuant to Subchapter C of Chapter 63 of the Code as amended by the Bipartisan Budget Act of 2015 (or pursuant to any comparable or similar provision of United States state or local tax law) relating to a period prior to the exchange of the Notes pursuant to the Exchange Agreement, the Managing Member will use commercially reasonable efforts to allocate any such income, gain, loss, deduction or credit (or any partner's distributive share thereof), and any tax (or interest, penalty, addition to tax or additional amount) attributable thereto to Members holding Units prior to the Exchange.

8.7.4 In connection with any U.S. federal tax audit of the Company for a taxable year thereof for which the provisions of the Bipartisan Budget Act of 2015 apply, the Tax Matters Member will not be required to consider the tax position or policy of any specific Member, as distinguished from the tax position or policy of Members of the Company generally. Notwithstanding the foregoing, the Company acknowledges certain Members have a policy providing that such Member generally cannot be required to amend its tax returns by third parties and the Company agrees to use commercially reasonable efforts not to cause any such Member to have to file an amended tax return.

ARTICLE 9
ACCOUNTING AND RECORDS

9.1 Books and Records.

9.1.1 Supervision; Inspection. Proper and complete books of account and records of the business of the Company (including those books and records identified in Section 18-305 of the Act) shall be kept under the supervision of the Management Committee at the Company's principal office in Wexford, Pennsylvania. Such books and records shall be open to inspection, audit and copying by any Representative, any Member and their respective designated agents, upon reasonable notice at any time during business hours, for any purpose reasonably related to such Person's interest in the Company.

9.1.2 Reliance on Books and Records. Any Member or Representative shall be fully protected in relying in good faith upon the records and books of account of the Company and upon such information, opinions, reports or statements presented to the Company by any of its other Members or employees, or by any other Person, as to matters the Member or such Representative reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as

to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

9.2 Reports; Quarterly Meeting.

9.2.1 Each Class A Member shall be entitled to receive (i) the same financial information provided to the lenders pursuant to Sections 8.01, 8.02 and 8.10 of the ARD Term Loan Credit Agreement (it being understood that the obligation to provide such information shall continue irrespective of any termination of the ARD Term Loan Credit Agreement and that such information shall include, at a minimum, the annual audited and quarterly unaudited financial statements required to be provided under the ARD Term Loan Credit Agreement) and (ii) the same financial information with respect to the Company and its Subsidiaries as is provided to the lenders pursuant to Sections 8.01, 8.02 and 8.10 of the ARD Term Loan Credit Agreement as if the Company were the Borrower (as defined in the ARD Term Loan Credit Agreement) thereunder (it being understood that the obligation to provide such information shall continue irrespective of any termination of the ARD Term Loan Credit Agreement and that such information shall include, at a minimum, annual audited and quarterly unaudited financial statements required to be provided under the ARD Term Loan Credit Agreement).

9.2.2 The Company shall provide to each Class A Member:

(a) a copy of each reserve report that the Company or any of its Subsidiaries provide from time to time to the RBL Administrative Agent (as defined in the ARD Term Loan Credit Agreement);

(b) a monthly "flash" reporting package, including production by field, key income statement items, and other non-financial data if and when furnished to representatives on the Management Committee;

(c) a consolidated annual budget relating to each fiscal year if and when furnished to representatives on the Management Committee;

(d) written notice of any matter set forth in Section 8.02(b)-(e) of the ARD Term Loan Credit Agreement as if the Company were the Borrower (as defined in the ARD Term Loan Credit Agreement);

(e) written notice of any material audit, investigation or legal proceeding filed against the Company or any of its Subsidiaries; and

(f) written notice of any intention to engage in a capital raise by the Company, along with a range of the amounts the Company proposes to raise and a summary of the material proposed economic terms (if known), at least 10 Business Days before the final terms of such capital raise are submitted for approval at a meeting (or by written consent) of the Management Committee.

9.2.3 The Company shall provide to each Class A Member the same information and materials that are provided to the Representatives at meetings of the Management Committee.

9.2.4 A quarterly meeting of the Class A Members shall be held at such date, time and place as may be fixed by the Management Committee for the purpose of presenting information about the Company to the Class A Members and to conduct such other business as the Management Committee shall determine.

Notwithstanding the foregoing, the reports or other information required to be furnished by this Section 9.2 shall be subject to the confidentiality obligations set forth in Section 9.3.

9.3 Confidentiality.

9.3.1 The Unitholders acknowledge that they may receive information from or regarding the Company or the Subsidiaries in the nature of trade secrets or that otherwise is confidential, the release of which may be damaging to the Company, its Subsidiaries or Persons with which they do business. Each Unitholder shall hold in confidence and not disclose any information it receives regarding the Company or its Subsidiaries that is identified as being confidential and may not disclose it to any Person other than another Unitholder except for disclosures (i) requested or required by applicable law, regulation, legal or judicial process, the rules of any applicable securities exchange or upon the request or inquiry of any bank, securities or insurance regulatory authority or self-regulatory organization having jurisdictions over such Unitholder or an Affiliate of such Unitholder (but the Unitholder shall notify the Company promptly of any request for that information before disclosing it if practicable and legally permissible), (ii) to its Affiliates, members, partners, and trustees and its advisers or representatives of the Unitholder, provided, that such Persons hold such disclosures confidential and do not use such information for pecuniary gain or, in the case of service providers, do not use such information for purposes other than the services being provided to the Unitholder, (iii) of information that the Unitholder also has received from a source independent of the Company that the Unitholder reasonably believes obtained that information without breach of any obligation of confidentiality, (iv) to any Person to which such Unitholder offers to sell any Units so long as it first obtains a confidentiality agreement from the proposed transferee at least as restrictive as that set forth in this Section 9.3, (v) of information in connection with litigation against the Company to which the disclosing Unitholder is a party, or (vi) to existing and prospective investors in a Member so long as it first obtains a confidentiality agreement from such Person at least as restrictive as that set forth in this Section 9.3. The Unitholders agree that breach of the provisions of this Section 9.3 may cause irreparable injury to the Company for which monetary damages (or other remedy at law) are inadequate. Accordingly, the Unitholders agree that the provisions of this Section 9.3 may be enforced by specific performance or other appropriate equitable remedy.

9.3.2 None of the Company, its Subsidiaries or any of their respective Affiliates shall issue any press releases, published notices or other public disclosure using the name of any Unitholder or any Unitholder's Affiliates in connection with the Company or any of its Subsidiaries or any of their respective Affiliates without obtaining such Unitholder's prior written consent, except (a) to the extent required by applicable law, rule, regulation (including any money laundering or anti-terrorist laws, rules or regulations) or other controlling judicial or regulatory requirement or governmental request, (b) to a court or to an arbitrator in connection with any litigation or other dispute or otherwise as necessary to enforce the terms of this Agreement or the Exchange Agreement or (c) to other Unitholders if the Company is disclosing the names of the Unitholders generally. For the avoidance of doubt, the Company, its Subsidiaries or any of their respective Affiliates shall not, without a Unitholder's prior written consent, represent directly or indirectly, that any product or any service provided by the Company, its Subsidiaries or any of their respective Affiliates has been approved or endorsed by such Unitholder.

9.4 Tax Returns. The Company shall, within 60 days after the end of each Fiscal Year (as such time period may be extended in accordance with any timely filed extensions to file tax returns at the election of the Tax Matters Member), cause to be filed a federal income tax information return and deliver to each Unitholder a Schedule K-1 showing such Unitholder's distributive share of the Company's income, deductions and credits, and all other information necessary for such Unitholder to file its federal income tax returns. The Company similarly shall cause to be filed, and provide information to the Unitholders regarding, all appropriate state and local income tax returns. Such tax returns shall be submitted to the Management Committee for approval no later than 30 days prior to the anticipated filing date thereof, and

any changes requested by the Management Committee shall be made thereto. Such tax returns shall not be filed until approved by the Management Committee, and appropriate extensions of time to file shall be obtained if necessary in order to cause such returns not to be delinquent, including, to the extent not already set forth on such schedule, such Unitholder's share of the Company's "unrelated business taxable income" as defined in Section 512 and Section 514 of the Code, if any, reported to the Internal Revenue Service. The Company shall also (i) provide the Unitholders with a confirmation accompanying such tax returns (based on information available as of such date) as to whether the Company has directly or indirectly participated in any "reportable transactions", together with any information (available on or prior to such date) the Unitholders will need to complete and file an IRS Form 8886; and (ii) promptly provide any information regarding reportable transactions which subsequently becomes available.

9.5 Tax Matters Member.

9.5.1 If the number of Common Units owned directly or indirectly by First Reserve is less than 10% of the outstanding Common Units, the tax matters partner of the Company pursuant to Code Section 6231(a)(7) or the "partnership representative" within the meaning of Section 6223(a) of the Code and the Bipartisan Budget Act of 2015, as applicable (the "***Tax Matters Member***"), shall be a Unitholder designated from time to time by the Management Committee subject to replacement by the Management Committee. If and so long as the number of Common Units owned directly or indirectly by First Reserve is equal to or more than 10% of the outstanding Common Units, the Tax Matters Member shall be Holdings. The Tax Matters Member shall take such actions as may be necessary to cause to the extent possible each other Unitholder to become a notice partner within the meaning of Code Section 6231(a)(8), if applicable. The Tax Matters Member shall inform the Management Committee of all material written notices or assessments received from any taxing authority in its capacity as Tax Matters Member by giving notice thereof on or before the twentieth (20^{th}) day after (or if applicable, such shorter period as may be required by the appropriate statutory or regulations provisions) receipt thereof and, within that time, shall forward to each other Unitholder copies of all such notices and assessments received in that capacity.

9.5.2 Any reasonable, documented cost or expense incurred by the Tax Matters Member in connection with its duties, including the preparation for or pursuance of administrative or judicial proceedings, shall be paid by the Company.

9.5.3 The Tax Matters Member shall not enter into any extension of the period of limitations for making assessments on behalf of the Unitholders without first obtaining the consent of the Management Committee. The Tax Matters Member shall not bind any Unitholder to a settlement without obtaining the consent of such Unitholder if such settlement is reasonably expected to have a materially disproportionate effect on such Unitholder. If applicable, any Unitholder that enters into a settlement agreement with respect to any Company item (within the meaning of Code Section 6231(a)(3) prior to amendment by the Bipartisan Budget Act of 2015) shall notify the Company of such settlement agreement and its terms within fifteen (15) days from the date of the settlement, and the Company shall inform the other Unitholders of the same within five (5) days of receipt of notice thereof.

9.6 Annual Plan and Budget.

9.6.1 The activities, operations and expenses of the Company and any Subsidiary of the Company (including capital expenditures) for any period shall be set forth in an Annual Plan and Budget (the "***Annual Plan and Budget***").

9.6.2 For each calendar year commencing with calendar year 2019, the officers of the Company shall prepare and submit to the Management Committee, on or before December 1 of the year immediately preceding such calendar year, an Annual Plan and Budget. The Annual Plan and Budget shall

be subject to approval by the Management Committee. If the Management Committee does not approve any proposed Annual Plan and Budget, the Company shall continue to use the Annual Plan and Budget then in effect, extrapolated to a 12-month budget period if necessary, except that (a) any items of the proposed Annual Plan and Budget that previously have been approved by the Management Committee shall be given effect in substitution of the corresponding items in the Annual Plan and Budget for the previous year, (b) any one-time or non-recurring items and the corresponding budget entries therefor shall be deleted, and (c) all other expenses from the Annual Plan and Budget for the previous year shall be increased by 5%.

9.6.3 Each fiscal quarter, the Management Committee shall review and, subject to approval by the Management Committee, amend the Annual Plan and Budget.

9.6.4 Each Annual Plan and Budget shall contain at least the following:

(a) estimates of the expenditures covered by the Annual Plan and Budget by budget category (including operating expenditures and capital expenditures), in reasonable detail to identify the nature, scope and duration of the activity in question;

(b) estimates of the schedule pursuant to which costs and expenses included in the Annual Plan and Budget are anticipated to be incurred by the Company or any Subsidiary of the Company;

(c) any other information reasonably requested in writing by a Representative;

(d) estimates of revenues and estimated returns on invested capital;

(e) progress on prior Annual Plans and Budgets, including any shortfalls or overages; and

(f) any costs and expenses estimated to be expended due to health, safety, security and environmental issues or any regulatory issues.

9.6.5 Expenditures in an Annual Plan and Budget may extend over more than one calendar year if and to the extent that such expenditures represent activities or operations that require commitments in excess of one calendar year or across more than one calendar year.

ARTICLE 10
LIABILITY, EXCULPATION AND INDEMNIFICATION; FIDUCIARY DUTIES

10.1 Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

10.2 Exculpation. No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement. A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or

statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which distributions to Unitholders might properly be paid.

10.3 Duties and Liabilities of Covered Persons. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Company or to any other Covered Person, a Covered Person acting under this Agreement shall not be liable to the Company or to any other Covered Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, including, without limitation, the provisions of Section 10.7 hereof eliminating certain fiduciary duties, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person. Unless otherwise expressly provided herein, (i) whenever a conflict of interest exists or arises between Covered Persons or (ii) whenever this Agreement or any other agreement contemplated herein provides that a Covered Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Company or any Unitholder, the Covered Person shall resolve such conflict of interest, taking such action or providing such terms, considering in each case the relative interest of each party (including its own interest), such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Covered Person, the resolution, action or term so made, taken or provided by the Covered Person shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of the Covered Person at law or in equity or otherwise. Whenever in this Agreement a Covered Person is permitted or required to make a decision (A) in its "discretion" or under a grant of similar authority or latitude, the Covered Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person or (B) in its "good faith" or under another express standard, the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

10.4 Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement; provided, however, that any indemnity under this Section 10.4 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

10.5 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding for which indemnification hereunder applies shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined in such final disposition that the Covered Person is not entitled to be indemnified as authorized in this Article 10. The Management Committee and the Company may enter into indemnity contracts with Covered Persons and adopt written procedures pursuant to which arrangements are made for the advancement of expenses and the funding of obligations under Section 10.4 hereof and containing such other procedures regarding indemnification as are appropriate.

10.6 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Management Committee shall deem reasonable, on behalf of Covered Persons and such other Persons as the Management Committee shall determine, against any liability that may be asserted against or expenses that may be incurred by any such Person in connection with the activities of the

Company or such indemnities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

10.7 Waiver of Fiduciary Duties.

10.7.1 THIS AGREEMENT IS NOT INTENDED TO, AND DOES NOT, CREATE OR IMPOSE ANY FIDUCIARY DUTY ON ANY COVERED PERSON, EXCEPT AS PROVIDED IN SECTION 10.7.2. THE UNITHOLDERS HEREBY WAIVE ANY AND ALL FIDUCIARY DUTIES OWED BY OR TO THE UNITHOLDERS THAT, ABSENT SUCH WAIVER, MAY BE IMPLIED BY LAW, AND IN DOING SO, RECOGNIZE, ACKNOWLEDGE AND AGREE THAT THE COVERED PERSONS' DUTIES AND OBLIGATIONS TO ONE ANOTHER AND TO THE COMPANY ARE ONLY AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OR ANY OTHER EXPRESS AGREEMENTS TO WHICH THEY ARE A PARTY.

10.7.2 Notwithstanding Section 10.7.1, the Covered Persons in exercising their rights and authority hereunder will act in good faith and in a manner that is consistent with the terms of this Agreement and that does not willfully or intentionally deny the Unitholders the rights and benefits under this Agreement.

10.8 Unitholder Duties. The Unitholders acknowledge and agree that the Key Holders and their respective Affiliates are engaged in investing in the energy sector generally, including investments that are or may be in competition with the purpose of the Company set forth in Section 1.4, and accordingly each of the Key Holders may determine in its sole discretion whether to bring any Company Opportunity to the Company or to pursue such opportunity directly for itself or indirectly through an Affiliate or other Person. None of the Key Holders, or any Representative shall have any obligation to bring any opportunity to the Company, to refrain or cause any of their respective Affiliates or any other Person to refrain from pursuing such opportunity, or to otherwise refrain from engaging in or possessing an interest in other business opportunities or ventures of every kind and description, independently or with others, including, without limitation, businesses that may compete the Company, the other Members and/or the Representatives.

ARTICLE 11
DISSOLUTION

11.1 Dissolution. The Company shall be dissolved, its property disposed of and its affairs wound up upon the first to occur of the following (a "***Dissolution Event***"):

11.1.1 At the election of the Management Committee;

11.1.2 the entry of a decree of judicial dissolution under the Act;

11.1.3 the consummation of a Third Party Organic Transaction pursuant to clause (x) of the definition thereof; provided, however, that the consummation of a Third Party Organic Transaction shall not be deemed to be a liquidation, dissolution or winding up of the Company only for purposes of this Section 11.1 if, within 15 days after delivery of written notice of such Third Party Organic Transaction by the Company to the Members, the holders of at least two-thirds of the Common Units provide the Company with written notice that such Third Party Organic Transaction shall not be deemed a liquidation, dissolution or winding up of the Company for purposes of this Section 11.1.

11.2 Authority to Wind Up. The Unitholders shall retain all power and authority required to marshal the assets of the Company, to pay the Company's creditors, to distribute assets and otherwise wind up the business and affairs of the Company.

11.3 Distribution of Property. Upon dissolution and winding up of the Company, the affairs of the Company shall be wound up and the Company liquidated by the Unitholders. The assets of the Company shall be applied to pay creditors of the Company in the order of priority provided by law. Any remaining assets shall be distributed to the Unitholders in accordance with Section 7.2.

11.4 Capital Account Deficit. Any Unitholder with a deficit in its Capital Account shall not be required to contribute such deficit amount to the Company upon the liquidation thereof.

ARTICLE 12
MISCELLANEOUS

12.1 Amendments. Except as otherwise set forth herein (including Section 2.6, Section 2.7 and Section 12.2), any amendment or waiver to this Agreement shall be adopted and be effective as an amendment or waiver hereto if approved by a Vote of Class A Members; provided, however that no amendment or waiver that (a) would alter or change the rights, obligations, powers or preferences of the holders of any class, series or group of Common Units in a disproportionate and adverse manner (without having a similar disproportionate and adverse effect on the holders of all of such Common Units) or (b) would be disproportionately and materially adverse to any of the rights, obligations, powers or preferences of the holders of any class, series or group of Profits Interest Units as compared to the rights, obligations, powers or preferences of the holders of Common Units hereunder, shall be made, and any such purported amendment shall be void and ineffective, without the written consent of the holders of more than 66⅔% of the affected class, series or group of Common Units or Profits Interest Units, as applicable, which consent may be withheld or delayed in the sole discretion of such holders (it being understood that amendments to create and issue additional classes of securities as contemplated by Section 2.6 from time to time will, in each case, be deemed to not have a disproportionate and adverse effect on the holders of any class, series or group of Units); and provided, further, that no amendment or waiver, by merger or otherwise, that would create an additional liability for such Unitholder shall be made, and any such purported amendment shall be void and ineffective as it applies to such Unitholder, without the written consent of such Unitholder. Updates to the Register of Members set forth on Schedule I hereto shall not constitute amendments requiring approval pursuant to this Section 12.1. Notwithstanding the foregoing, if any amendment to or waiver of this Agreement is made without the written consent of a holder of Units, such holder shall receive notice and a copy of such amendment or waiver.

12.2 Public Offering.

12.2.1 Notwithstanding anything in this Agreement to the contrary, immediately prior to the effective date of a registration statement filed with the U.S. Securities and Exchange Commission (or similar filing with another regulatory body) with respect to the first firm commitment underwritten offering of equity securities by the Company (or by a successor entity) (a "***Public Offering***"), the Management Committee may cause the Company to be converted (a "***Public Company Conversion***") into a corporation or other entity suitable for such offering through merger, statutory conversion, redomestication, amalgamation, or any other transaction or series of transactions, so long as (i) the relative economic rights of the Unitholders are substantially the same following such Public Company Conversion (if applicable after giving effect to the Public Offering Simplification principles set forth in Section 12.2.3) and (ii) the Public Company Conversion is arranged in a manner that is intended to minimize, to the extent reasonable in the Management Committee's discretion, recognition of gain or loss for United States federal income tax purposes. The Management Committee shall have the right, but not the obligation, to cause the Company to effect a Public Offering, and the Members agree to cooperate with the Company and to take all such action as may be reasonably required (as determined by the Management Committee) in connection therewith to effectuate, or cause to be effectuated, the Public Offering, including, if the Management Committee determines it to be desirable, winding up and liquidating the Company. In connection with a

Public Offering, the outstanding Units may, at the Management Committee's election, and without any action on the part of any Member, be converted, exchanged or redeemed for shares (or other Equity Securities) of the resulting corporation or other entity following the Public Company Conversion at the equivalent value of such shares (or other Equity Securities) as determined by the Management Committee based upon a hypothetical liquidation of the Company and the distribution of proceeds in the amount equal to the value of such shares (or other Equity Securities) to the Members pursuant to Section 7.2. Notwithstanding the foregoing, in connection with a Public Offering, in the case of Profits Interest Units, such Profits Interest Units may, at the Management Committee's election (which election may be made in the sole discretion of the Management Committee without regard to the best interests of any other Member), be converted, exchanged or redeemed for equity securities at the equivalent value of the Profits Interest Units as determined in good faith by the Management Committee based upon a hypothetical liquidation of the Company.

12.2.2 The Units or any Equity Securities issued to the Unitholders in accordance with this Section 12.2 shall be subject to a prohibition on sale or transfer as required by the managing underwriter for such offering (other than with respect to the Transfer of any such securities in such offering), as determined by the Management Committee.

12.2.3 Without limiting the right of the Management Committee to effect a Public Company Conversion, in connection with a Public Offering, if the Management Committee determines it to be desirable, the Class A Common Units, Class B Common Units and Class C Common Units may be reclassified into a single class of Common Units (a "***Public Offering Simplification***"). In the Public Offering Simplification, each Class A Common Unit, Class B Common Unit and Class C Common Unit shall be exchanged for a number of the single class of Common Units equal to the number of such Common Units having a value equal to the amount that would be distributed to the holder of such Class A Common Unit, Class B Common Unit or Class C Common Unit if proceeds in the amount equal to the value of all such Common Units (after giving effect to the exchange) were distributed pursuant to Section 7.2. For purposes of determining the value of Common Units pursuant to the preceding sentence, each Common Unit shall have a value equal to the offering price set forth on the cover page for the prospectus used for such Public Offering. In connection with a Public Offering Simplification, the Management Committee may make such amendments to this Agreement, without any action on the part of any Member, as the Management Committee may determine to be necessary or advisable to implement such Public Offering Simplification.

12.2.4 The terms of the Public Offering and of the equity securities offered therein, the board of directors (or similar managing body) and the officers of the entity making the Public Offering, and, if applicable, the terms of the charter or constituent documents of the successor entity in the Public Company Conversion will be determined by the Management Committee. The restrictions in Article 4 and Exhibit B will not apply to any Transfer in or following the Public Offering.

12.2.5 The Members agree, that in connection with any Public Offering, they and their Permitted Transferees will be deemed to be bound by any "lock-up" agreement approved by the Management Committee without any further action on the part of such Members or their Permitted Transferees and, if requested by the managing underwriter in such Public Offering, will enter into such "lock-up" agreement; provided, that any such lock-up provided therein shall not exceed 180 days.

12.2.6 If a Public Offering has not occurred by December 31, 2021, the Management Committee will undertake, with the assistance of a nationally recognized financial advisor, an evaluation of potential transactions, which may result in a sale of all or substantially all of the Company or its assets or a merger or other business combination or a Public Offering (any such transaction, a "***Liquidity Event***"). If approved by the Management Committee, the Company will initiate a process intended to result in a

Liquidity Event. The decision whether or not to pursue and the type, timing and completion of a Liquidity Event shall be at the sole discretion of the Management Committee. The provisions of this Section 12.2.6 shall terminate upon the occurrence of a Liquidity Event.

12.3 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the Company, the Members and Unitholders and their respective successors and permitted assigns.

12.4 Governing Law and Severability. This Agreement shall be, in all respects, construed in accordance with and governed by the laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. Should there ever occur any conflict between any provision contained in this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but the provision of this Agreement affected thereby shall be curtailed and limited only to the extent necessary to bring it into compliance with the law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

12.5 Counterparts; Facsimiles. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures shall, for all purposes, be treated as originals.

12.6 Titles and Subtitles; Illustrations. The headings of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement in construing or interpreting any provision hereof. Illustrations or examples provided in any Exhibit to this Agreement are for purposes of clarifying the intent of any word or phrase to which such illustration relates that may be ambiguous under any particular facts or circumstances. In the event of any conflict between an illustration or an example and the language of this Agreement, the language of this Agreement shall control.

12.7 Notices. All notices provided for in this Agreement shall be in writing, duly signed by the party giving such notice, and shall be delivered, faxed, emailed or mailed by registered or certified mail as follows:

(a) If given to the Company, to:

Arsenal Energy Holdings LLC
6031 Wallace Road Ext., Suite 300
Wexford, Pennsylvania 15090
Attention: Craig Lavender
Facsimile: 800-428-0981
E-Mail: craig.lavender@arsenalresources.com

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

Simpson Thacher & Bartlett LLP
600 Travis Street, Suite 5400
Houston, TX 77002
Attention: Chris May
Facsimile: 713-821-5602
E-Mail: cmay@stblaw.com

(b) If given to any Member or Unitholder, at the address set forth below under such Person's name in Schedule I hereto.

All notices and communications shall be deemed to have been received unless otherwise set forth herein: (i) in the case of personal delivery, on the date of such delivery; (ii) in the case of facsimile, email or other electronic transmission, on the date on which the sender receives confirmation by facsimile, email or other electronic transmission that such notice was received by the addressee, provided, that a copy of such transmission is additionally sent by mail as set forth in (iv) below; (iii) in the case of overnight air courier, on the second Business Day following the day sent, with receipt confirmed by the courier; and (iv) in the case of mailing by first class certified or registered mail, postage prepaid, return receipt requested, on the fifth Business Day following such mailing.

12.8 Entire Agreement. This Agreement, any exhibits and schedules attached hereto, and the documents referred to herein and the Exchange Agreement constitute the entire agreement and understanding of the parties with respect to the terms and conditions of the transactions referred to herein and therein and supersede all other prior and contemporaneous agreements and understandings, oral or written, between the parties relating to such subject matter, other than as provided herein and therein.

12.9 Tax Advances. To the extent the Company (or any entity in which the Company holds an interest) is required by law to withhold or to make tax payments (including interest and penalties thereon) on behalf of or with respect to any Member ("***Tax Advances***"), the Company may withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a Member shall, at the option of the Tax Matters Member, (a) be promptly paid to the Company by the Member on whose behalf such Tax Advances were made or (b) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Member or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Member. Whenever the Tax Matters Member selects the option set forth in clause (b) of the immediately preceding sentence for repayment of a Tax Advance by a Member, for all other purposes of this Agreement such Member shall be treated as having received all distributions unreduced by the amount of such Tax Advance. Each Member (and each Disassociated Member) hereby agrees to indemnify and hold harmless the Company and the Tax Matters Member and any member or officer of the Tax Matters Member from and against any liability with respect to Tax Advances required on behalf of or with respect to such Member (or Disassociated Member, as applicable). The obligations of a Member set forth in this Section 12.9 shall survive the withdrawal of any Member or any Transfer or redemption of a Member's Units. Each Member (and each Disassociated Member) shall furnish the Tax Matters Member with such information, forms and certifications as it may require and as are necessary to comply with the regulations governing the obligations of withholding tax agents, as well as such information, forms and certifications as are necessary with respect to any withholding taxes imposed by countries other than the United States and represents and warrants that the information and forms furnished by it shall be true and accurate in all respects. The amount of any taxes paid by or withheld from receipts of the Company (or any investment in which the Company invests) allocable to a Member from an investment shall be deemed to have been distributed to each Member (or Disassociated Member, as applicable) to the extent that the payment or withholding of such taxes reduced distribution proceeds otherwise distributable to such Member as provided herein.

12.10 Arbitration. If the Company and Members or Unitholders are unable to resolve any dispute arising under this Agreement following good faith negotiations, any Member, or Unitholder or the Company may refer such matter to arbitration by one arbitrator pursuant to the Rules of Commercial Arbitration (the "***Rules***") of the American Arbitration Association ("***AAA***"). The arbitrator shall be appointed by the AAA in accordance with the Rules. Following the selection of the arbitrator as set forth above, the arbitration shall be conducted promptly and expeditiously so as to enable the arbitrator to render a decision within 30 days. In any dispute involving a claim for money damages or involving any other monetary amount, the parties involved in the dispute shall each submit to the arbitrator their calculation of such amount, and the arbitrator shall be empowered only to choose an amount proposed by one of the parties. Subject to the foregoing and except to the extent the parties shall agree to the contrary, the arbitrator hearing the dispute shall apply and follow the Federal Rules of Civil Procedure and the Federal Rules of Evidence. If there is any conflict between the Rules and this Section 12.10, this Section 12.10 shall govern. The arbitration shall be held in New York, New York. The parties acknowledge that the arbitrator shall have the authority to grant equitable remedies, if appropriate. Except as provided below, arbitration under this Section 12.10 shall be the exclusive means for a party to seek resolution of any dispute arising out of, or any breach or alleged breach of, this Agreement, except that any party may bring an action before a competent court for the adoption of provisional or protective measures or equitable relief. The award of the arbitrator shall be final and binding on the parties. Each party shall bear (a) in equal proportions the cost and expenses of the arbitration proceeding assessed by the AAA, and (b) their respective expenses in prosecuting or defending the arbitration. Judgment on the arbitral award rendered may be entered in any court having jurisdiction or application may be made to such for a judicial acceptance of the award and an order of enforcement, as the case may be. The parties acknowledge and agree that any party may seek before any court of competent jurisdiction, provisional, protective or equitable relief.

[REMAINDER INTENTIONALLY BLANK]

Exhibit C

Schedule of Proposed Cure Amounts[4]

All Executory Contracts and Unexpired Leases of the Debtor, if any, shall be deemed to be assumed by the Debtor on the Effective Date pursuant to Article VI of the Plan, and the Cure amount for each such Executory Contract or Unexpired Lease shall be zero dollars. Unless such Executory Contract or Unexpired Lease (1) expired or terminated pursuant to its own terms before the Effective Date or (2) is the subject of a motion to reject filed on or before the Effective Date, then, in accordance with Article VI of the Plan, the Executory Contract or Unexpired Lease shall be assumed. To the extent that the Debtor has entered into or does enter into any amendment or modification of any of the Executory Contracts or Unexpired Leases being assumed under Article VI of the Plan in connection with, or prior to, the assumption of such Executory Contracts or Unexpired Leases, such Executory Contracts or Unexpired Leases will be assumed as amended or modified.

Nothing contained in the Plan or its exhibits, including this Schedule of Proposed Cure Amounts, shall constitute an admission by the Debtor, Reorganized Debtor, or any other party that any contract or lease (including any listed below) is in fact an Executory Contract or Unexpired Lease or that the Debtor or Reorganized Debtor has any liability thereunder.

No.	Cure Amount	Debtor Entity Name	Description of Contract	Contract Counterparty
1.	$0	Arsenal Energy Holdings LLC	Financial Advisory Services	Barclays Capital Inc.
2.	$0	Arsenal Energy Holdings LLC	Tax Advisory Services	Deloitte LLP
3.	$0	Arsenal Energy Holdings LLC	Auditing Services	Grant Thornton LLP
4.	$0	Arsenal Energy Holdings LLC	Strategic Internal Audit Outsourcing	Schneider Downs & Co., Inc.

[4] Cure amounts, if any, are denominated in the applicable currency of the assumed Executory Contract or Unexpired Lease.