

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

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In re: : Chapter 11
: :
CHAPARRAL ENERGY, INC., : Case No. 16-11144 (LSS)
: :
Reorganized Debtor.¹ : **Re: Docket No. 1619**
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In re: : Chapter 11
: :
CHAPARRAL ENERGY, INC., *et al.*,² : Case No. 20-11947 (MFW)
: :
Debtors. : (Jointly Administered)
: :
: **Re: Docket No. 13**
: :
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**PRELIMINARY APPROVAL ORDER (I) DIRECTING THE APPLICATION OF
BANKRUPTCY RULE 7023, (II) PRELIMINARILY APPROVING THE SETTLEMENT,
(III) APPOINTING THE SETTLEMENT ADMINISTRATOR, (IV) APPROVING FORM
AND MANNER OF NOTICE TO CLASS MEMBERS, (V) CERTIFYING A CLASS,
DESIGNATING A CLASS REPRESENTATIVE, AND APPOINTING CLASS COUNSEL
FOR SETTLEMENT PURPOSES ONLY, (VI) SCHEDULING A SETTLEMENT
FAIRNESS HEARING, AND (VII) GRANTING RELATED RELIEF**

Upon the joint motion³ of Chaparral Energy, Inc. and its subsidiaries that are debtors and debtors in possession (collectively, the "**Debtors**") in the Chapter 11 Cases and the Class

¹ The Reorganized Debtor in this chapter 11 case, along with the last four digits of the Reorganized Debtor's federal tax identification number, is Chaparral Energy, Inc. (0941). The Reorganized Debtor's address is 701 Cedar Lake Blvd., Oklahoma City, OK 73114.

² The Debtors in these cases, along with the last four digits (or five digits, in cases in which multiple Debtors have the same last four digits) of each Debtor's federal tax identification number, are: CEI Acquisition, L.L.C. (1817); CEI Pipeline, L.L.C. (6877); Chaparral Biofuels, L.L.C. (1066); Chaparral CO2, L.L.C. (1656); Chaparral Energy, Inc. (90941); Chaparral Energy, L.L.C. (20941); Chaparral Exploration, L.L.C. (1968); Chaparral Real Estate, L.L.C. (1655); Chaparral Resources, L.L.C. (1710); Charles Energy, L.L.C. (3750); Chestnut Energy, L.L.C. (9730); Green Country Supply, Inc. (2723); Roadrunner Drilling, L.L.C. (2399); and Trabajo Energy, L.L.C. (9753). The Debtors' address is 701 Cedar Lake Boulevard, Oklahoma City, OK 73114.

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Joint Motion for the Entry of (A) a Preliminary Approval Order (I) Directing the Application of Bankruptcy Rule 7032, (II) Preliminarily Approving the Settlement, (III) Appointing the Settlement Administrator, (IV)* (cont'd)

Representative (as defined in the Settlement Agreement attached hereto as **Exhibit 1** (the “**Settlement Agreement**”)) for entry of a preliminary approval order (i) directing the application of rule 7023 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and by incorporation, rule 23 of the Federal Rules of Civil Procedure (the “**Civil Rules**”), (ii) preliminarily approving the Settlement Agreement, (iii) appointing the Settlement Administrator, (iv) approving form and manner of notice to Settlement Class members, (v) certifying the Settlement Class, designating a Class Representative, and appointing Class Counsel for settlement purposes only, (vi) scheduling a Settlement Fairness Hearing, and (vii) granting related relief; all as more fully set forth in the Joint Motion and the Settlement Agreement; and the Court having jurisdiction to consider the matters raised in the Joint Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Joint Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Joint Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Joint Motion and opportunity for a hearing on the Joint Motion having been given to the Notice Parties, under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Joint Motion; and the Court having held a hearing on the Joint Motion (the “**Hearing**”); and the Court having found that the legal and factual bases set forth in the Joint Motion and at the Hearing establish just cause for the relief granted herein; and the Court having

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Approving Form and Manner of Notice to Class Members, (V) Certifying a Class, Designating a Class Representative, and Appointing Class Counsel for Settlement Purposes Only, (VI) Scheduling a Settlement Fairness Hearing, and (B) a Judgment Finally Approving the Settlement (the “**Joint Motion**”).

determined that the relief requested in the Joint Motion being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Settlement Agreement is preliminarily approved pursuant to Civil Rule 23 and Bankruptcy Rules 7023, 9014, and 9019.

2. The Plan of Allocation and Distribution attached as **Exhibit A** to the Settlement Agreement is hereby approved.

3. JND Legal Administration is appointed as the Settlement Administrator to administer the Settlement Agreement and the Plan of Allocation and Distribution as set forth in the Settlement Agreement. The Debtors are hereby authorized to pay the Settlement Administrator's fees as an Administration Expense.

4. The form of the notice to be sent to the Settlement Class Members (the "**Notice of Settlement**") attached to this Preliminary Approval Order as **Exhibit 2** and the service of the Notice of the Settlement by the Settlement Administrator to each Settlement Class Member, at the last known address of each Settlement Class Member according to the Debtors' current electronic databases (or as updated by the Settlement Administrator's searches for current addresses or as may otherwise be determined by the Parties) comports with all applicable law and is hereby approved.

5. The form of notice to be published in (i) *The Daily Ardmoreite*, (ii) *Fairview Republican*, (iii) *Hughes County Tribune*, (iv) *McAlester News-Capital*, (v) *The Oklahoman*, (vi) *Tulsa World*, (vii) *Clinton Daily News*, and (viii) *Elk City Daily News* attached to this Preliminary Approval Order as **Exhibit 3** is hereby approved.

6. The form of notice attached to this Preliminary Approval Order as **Exhibit 4** to be served in accordance with the Class Action Fairness Act upon the appropriate (a) State official of each State in which a Settlement Class Member resides and (b) Federal official is hereby approved.

7. The Notice of Settlement shall be mailed by first-class mail, postage prepaid, by the Settlement Administrator within ten (10) business days following the entry of this Preliminary Approval Order.

8. No later than seven (7) business days prior to the Settlement Fairness Hearing, Settlement Class Counsel shall cause to be filed with the Court a declaration that: (a) attests to the date(s) of mailing and publication of the Notice of Settlement; and (b) includes an exhibit, filed under seal, containing the names and addresses of the putative members of the Settlement Class to whom the Notice of Settlement was mailed.

9. The Settlement Class shall include:

All non-governmental royalty owners who own or owned mineral interests prior to the Petition Date covering wells operated by Chaparral in the State of Oklahoma, or in which Chaparral markets production, that produced natural gas and/or natural gas constituents or components, such as residue gas, natural gas liquids (or heavier liquefiable hydrocarbons), gas condensate or distillate, or casinghead gas and which is or was subject to a marketing arrangement including a percentage of proceeds, percentage of index and/or percentage of liquids arrangement and whose lease or leases with Chaparral include *Mittelstaedt* Clauses, with such Settlement Class commencing on June 1, 2006 through August 16, 2020.

10. The Settlement Class is approved for settlement purposes only pursuant to Civil Rule 23 and Bankruptcy Rules 7023 and 9014.

11. Naylor Farms, Inc. is hereby designated as the Class Representative for settlement purposes only. No aspect of the Settlement Agreement improperly grants preferential treatment to the Class Representative.

12. Conner L. Helms of the Helms Law Firm and representative of Helms & Underwood, previously known as Helms, Underwood & Cook is hereby appointed as Settlement Class Counsel for settlement purposes only.

13. For the purposes of the Settlement Agreement, the Court finds that: (a) the Settlement Class is so numerous that joinder of all Class Members is impracticable; (b) there are questions of law or fact common to the Settlement Class; (c) the claims of the Class Representative are typical of the claims or defenses of the Settlement Class; (d) Naylor Farms, Inc., as Class Representative, and Conner L. Helms of the Helms Law Firm and representative of Helms & Underwood, previously known as Helms, Underwood & Cook, as Settlement Class Counsel, will fairly and adequately represent and protect the interests of the Settlement Class Members; (e) questions of law or fact common to members of the Settlement Class predominate over any questions affecting only individual members; and (f) a class action is superior to other available methods for fairly and efficiently adjudicating the controversy because: (i) the royalty owners who comprise the Settlement Class have little interest in individually controlling the prosecution of separate actions; (ii) no litigation concerning the controversy other than the Royalty Class Action Lawsuit and the litigation concerning the 2016 Class Proof of Claim that is currently pending before the Court of Appeals for the Third Circuit has been filed; (iii) it is desirable to concentrate the settlement of the claims in this forum; and (iv) no difficulties in managing the proposed Settlement as a class action appear.

14. If any putative member of the Settlement Class does not wish to be a member of the Settlement Class, then such party may opt out of the Settlement Class by following the procedures set forth in the Notice of Settlement and mailing the Settlement opt-out to the Settlement Administrator at the address provided in the Notice of Settlement for its receipt on or before 5:00 p.m. prevailing Central Time on November 9, 2020.

15. If any putative member of the Settlement Class does not wish to voluntarily release claims contained in Article VIII of the plan of reorganization proposed by the Debtors in connection with the 2020 Bankruptcy Cases, then such party may opt out of those releases by following the procedures set forth in the Notice of Settlement and mailing the 2020 Plan of Release Opt Out Election Form to the Solicitation Agent at the address provided in the Notice of Settlement for its receipt on or before 5:00 p.m. prevailing Central Time on November 9, 2020.

16. The Court shall conduct the Settlement Fairness Hearing on December 9, 2020 at 3:00 p.m. prevailing Eastern Time, at the United States Bankruptcy Court for the District of Delaware, 5th Floor, Courtroom 4, 824 North Market Street, Wilmington, Delaware, 19801, to consider, among other things, final approval of the Settlement Agreement and the Fees and Expenses Motion (as defined below). The Court may adjourn the Settlement Fairness Hearing without further notice of any kind.

17. At least fourteen days before the Objection Deadline (as defined below), the Class Representative and Settlement Class Counsel shall file a motion for approval and payment of Class Counsel fees and expenses, the Class Representative's contribution fee, and the administrative expenses of settlement to be paid from the Settlement Proceeds ("**Fees and Expenses Motion**") for consideration as set forth in the Settlement Agreement and Notice of

Settlement. The Settlement Administrator shall post the Fees and Expenses Motion on the website established for the administration of the Settlement Agreement promptly following the filing of the Fees and Expenses Motion.

18. Objections or other responses to final approval of the Settlement Agreement and/or to the Fees and Expenses Motion are to be filed with the Court and served upon the parties listed below, so that they are received by all parties by November 9, 2020

(“**Objection Deadline**”):

- a. Davis Polk & Wardwell LLP, Attn: Angela Libby, James McClammy, and Jacob Weiner, 450 Lexington Avenue, New York, NY 10017, angela.libby@davispolk.com, james.mcclammy@davispolk.com, and jacob.weiner@davispolk.com;
- b. Richards, Layton & Finger, P.A., Attn: John H. Knight, Amanda R. Steele, and Brendan J. Schlauch, One Rodney Square, 920 North King Street, Wilmington, DE 19801, knight@rlf.com, steele@rlf.com, and schlauch@rlf.com;
- c. Crowe & Dunlevy, Attn: John J. Griffin, Jr., 324 North Robinson Avenue, Suite 100, Oklahoma City, OK 73102, john.griffin@crowedunlevy.com;
- d. Helms Law Firm, Attn: Conner Helms, 1 NE 2nd Street, Suite 202, Oklahoma City, OK 73104, conner@helmslegal.com;
- e. Vinson & Elkins LLP, Attn: William L. Wallander and Bradley Foxman, Trammell Crow Center 2001 Ross Avenue, Suite 3900 Dallas, TX 75201, bwallander@velaw.com and bfoxman@velaw.com;
- f. Stroock & Stroock & Lavan LLP, Attn: Erez E. Gilad and Samantha Martin, 180 Maiden Lane, New York, NY 10038, egilad@stroock.com and smartin@stroock.com; and
- g. The Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, DE 19801, David.L.Buchbinder@usdoj.gov and Linda.Richenderfer@usdoj.gov.

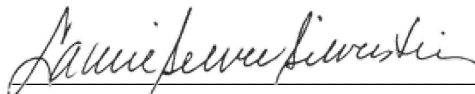
19. Objections or other responses must (a) be in writing, (b) identify the owner number(s) and well name(s) as they appear on the check stubs of the member of the

Settlement Class, and (c) state with particularity the legal and factual basis for such objection or other response to the Settlement Agreement or the Fees and Expenses Motion.

20. If the Settlement Agreement is not approved, is voided, terminated, or fails to become effective for any reason, the Class Representative, the Settlement Class, and the Debtors shall be returned to the status quo that existed immediately prior to the date of execution of the Settlement Agreement.

21. This Court retains jurisdiction to construe, interpret, enforce, and implement the Settlement Agreement and this Preliminary Approval Order.

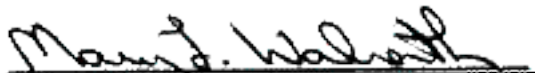
With respect to *In re Chaparral Energy, Inc.*, Case No. 16-11144 (LSS):



LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Dated: August 27, 2020

With respect to *In re Chaparral Energy, Inc.*, Case No. 20-11947 (MFW):



MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Dated: August 27, 2020