

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

)	
In re:)	Chapter 11
)	
CHAPARRAL ENERGY, INC., <i>et al.</i> , ¹)	Case No. 20-____ (____)
)	
Debtors.)	(Joint Administration Requested)
)	
In re:)	Chapter 11
)	
CHAPARRAL ENERGY, INC., <i>et al.</i> , ²)	Case No. 16-11144 (LSS)
)	
Reorganized Debtor.)	
)	

PLAN OF ALLOCATION AND DISTRIBUTION

This Plan of Allocation and Distribution hereby instructs the Settlement Administrator³ on the manner and methodology in which the Settlement Consideration shall be allocated and distributed to the Settlement Class Members (the “**Allocation Methodology**”). The Settlement Consideration will be allocated to each Class Well and then to each Settlement Class Member in each Class Well based on the factors and considerations set forth herein. The methodology set forth below is fair, reasonable, and adequate and in the best interest of the Settlement Class.

¹ 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.

² 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.

³ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

A. Allocation Methodology

1. Defendant has provided or will provide data on the amounts paid by purchasers to the Debtors in respect of each Class Well that had a percent-of-proceeds (“**POP**”), percent-of-index (“**POI**”), or percent-of-liquids (“**POL**”) type of fee arrangement (the calculation for each well an “**Individual Well POP Fee**”) for three periods: (i) June 1, 2006 to April 30, 2016 (“**Period I**”); (ii) May 1, 2016 to May 31, 2016 (“**Period II**”); and (iii) June 1, 2016 to the 2020 Petition Date (“**Period III**”).

2. For each period, the Individual Well POP Fee shall be multiplied against the most current royalty owners’ net revenue interest (“**NRI**”) in such Class Well (the result of such calculation, the “**Settlement Class Member Share**”). “Most current” shall mean current as of the 2020 Petition Date, the date that a Class Well was plugged and abandoned, or the date of sale by Defendant of its interest therein, as applicable.

3. For each period, each Settlement Class Member Share shall be divided by the aggregate of all Settlement Class Member Shares (for all Class Wells) to determine the Settlement Class Member’s pro rata portion of the Settlement Consideration for such period. Defendant and its Affiliates shall not be entitled to a distribution and shall be excluded for purposes of determining the pro rata portions of the Settlement Consideration.

4. For Period II, each Settlement Class Member Share shall be further bifurcated into the period prior to and including the date on which the Prior Bankruptcy Cases were commenced (May 9, 2016, the “**Prior Petition Date**”), and the period after the Prior Petition Date, by multiplying the result by $9/31$ and $22/31$. The product of such calculations shall be assigned to Period I and Period III, respectively.

5. The Settlement Consideration shall be allocated as follows. For Period I, the Settlement Administrator shall apply each Settlement Class Member’s pro rata portion

(including the adjustment on account of the bifurcated calculation for Period II, as set forth above) to the 1,432,300 shares of Class A common stock of Chaparral Energy, Inc. to which the 2016 Class Claimants would have been entitled pursuant to the 2016 Plan of Reorganization. The Settlement Administrator shall then determine the value, if any, to which each Settlement Class Member shall be entitled in accordance with the 2020 Plan on account of such shares.

6. For Period III, the Settlement Administrator shall apply the Settlement Class Member's pro rata portion (including the adjustment on account of the bifurcated calculation for Period II, as set forth above) to the \$2.5 million Settlement Cash Proceeds in order to determine the share of the Settlement Cash Proceeds, if any, allocable to each Settlement Class Member.

7. The distribution described above is based on the assumptions that (a) for any sales that occurred during the Released Period, the buyer was entitled to receive payment for all past claims covered by the Settlement; and (b) if royalty interests passed through inheritance, devise, intra-family or interfamily transfers, that it was the intent that the heir, devisee or transferee also receive payment for all past claims covered by the Settlement.

8. To the extent these assumptions are incorrect or a payee is not the proper party to receive a distribution, such Settlement Class Member who receives payment shall in turn make the correct payment to the proper party or parties entitled thereto or return the funds to the Settlement Administrator.

B. Time for Determination of Opt-Outs and Allocation and Distribution of Settlement Consideration

9. Within ten (10) business days after the Opt-Out Deadline, the Settlement Administrator shall determine whether members of the Settlement Class who have claims that, in the aggregate, exceed ten percent (10%) of the Settlement Cash Proceeds, have elected to opt-out

of the Settlement Class and will notify Settlement Class Counsel and Defendant's Counsel in writing regarding the results of that determination and simultaneously provide a list of the members of the Settlement Class who have opted out.

10. At least ten (10) business days before the Settlement Fairness Hearing, the Settlement Class Counsel, with the assistance of the Class's expert, Settlement Administrator, and Defendant/the Debtors shall prepare a Summary Final Distribution Report that assumes that the Bankruptcy Court will approve the award of the Settlement Cash Proceeds in the amount of \$2.5 million and that the 2016 Class Proof of Claim shall be allowed.

11. The Summary Final Distribution Report will set forth the amounts to be distributed from the Settlement Cash Proceeds and pursuant to the 2020 Plan on account of the allowed 2016 Class Proof of Claim to each Settlement Class Member. Settlement Class Counsel will seek approval of the Allocation Methodology used for the Summary Final Distribution Report at the Settlement Fairness Hearing.

12. Defendant has previously provided or will provide to the Settlement Administrator the information upon which the calculations will be based and will further provide last known addresses and tax identification numbers of Settlement Class Members currently available in Defendant's electronic databases, all of which shall be treated as Confidential Information.

13. Neither Defendant nor Defendant's Counsel is responsible or liable for any aspect of the Allocation Methodology or the Plan of Allocation and Distribution implementing that methodology.

14. Within thirty (30) days of the Effective Date, the Settlement Administrator will have determined the names, addresses, and final amounts of Distribution Checks for each Settlement Class Member in accordance with this Plan of Allocation and Distribution.

15. Within fifty (50) days after the Effective Date, the Settlement Administrator shall issue and mail, or cause to be mailed, Distribution Checks to the Settlement Class Members, enclosing a Form 1099, when applicable. If possible, without undue expense, the Distribution Checks shall include a line entry detail on a well-by-well basis of the Class Member's distribution amount. With each payment, the Settlement Administrator must include the notice as specified in section 1.10 of the Settlement Agreement.

16. Where a Settlement Class Member's distribution amount is \$5.00 or less, the Settlement Administrator will not issue or mail the Settlement Class Member's payment. Distribution of such small amounts would result in unnecessary Administration Expenses to the Settlement Class, exceeding the value of the Distribution Check. Instead these funds will be treated as Undistributed Proceeds under the Settlement Agreement.

17. Upon the Effective Date, the Class Representative and each Settlement Class Member shall, by operation of the Judgments, have, fully, finally and forever released, relinquished, and discharged all Released Parties from all Released Claims, and shall be forever barred and estopped from asserting any of the Released Claims against any of the Released Parties.

18. On the Distribution Date and in accordance with written payment instructions that the Debtors or the Reorganized Debtors provide, the Settlement Administrator shall wire transfer to the Reorganized Debtors the portion of the Net Settlement Amount

attributable to the Suspense Accounts for the benefit of the respective Settlement Class Members.

19. Within ten (10) days of the mailing of the Distribution Checks, the Settlement Administrator shall provide to Settlement Class Counsel a check register in the form of an electronic spreadsheet, reflecting the actual distribution to each Settlement Class Member by owner, number, name, address, and amount paid. Within thirty (30) days after the Settlement Administrator issues and mails the Distribution Checks, it shall file this check register with the Court under seal.

20. Within one hundred twenty (120) days following the date reflected on the Distribution Checks, the Settlement Administrator shall file a reconciliation of the distribution of the Settlement Consideration, including the amount of any Undistributed Proceeds to be distributed as part of the Final Undistributed Fund.