GULFPORT ENERGY CORP
Form 424B3
February 14, 2018
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-222592

PROSPECTUS

GULFPORT ENERGY CORPORATION

Offer to Exchange

up to $450,000,000 of

outstanding 6.375% Senior Notes due 2026

for

up to $450,000,000 of

6.375% Senior Notes due 2026

that have been registered under the Securities Act of 1933, as amended

The Exchange Offer (defined below) will expire at midnight, New York City Time, on March 19, 2018, unless we extend the Exchange Offer. We do not currently intend to extend the Exchange Offer.

We are offering to exchange up to $450.0 million aggregate principal amount of our new 6.375% Senior Notes due 2026, or the Exchange Notes, which have been registered under the Securities Act of 1933, as amended, or the Securities Act, for an equal principal amount of our outstanding 6.375% Senior Notes due 2026, or the Initial Notes, originally issued in a private offering on October 11, 2017. We refer to the Exchange Notes and the Initial Notes collectively as the Notes. We refer to the exchange of the Exchange Notes for the Initial Notes as the Exchange Offer.

We will exchange all Initial Notes that are validly tendered and not validly withdrawn prior to the closing of the Exchange Offer for an equal principal amount of the Exchange Notes that have been registered.

You may withdraw tenders of the Initial Notes at any time prior to the expiration of the Exchange Offer.

The terms of the Exchange Notes to be issued are identical in all material respects to the terms of the Initial Notes, except for transfer restrictions and registration rights that do not apply to the Exchange Notes, and different

administrative terms.

The Exchange Notes, together with any Initial Notes not exchanged in the Exchange Offer, will constitute a single class of debt securities under the indenture governing the Exchange Notes and Initial Notes, or the Indenture.

The exchange of the Initial Notes will not be a taxable exchange for United States federal income tax purposes.

We will not receive any proceeds from the Exchange Offer.

We do not intend to list the Exchange Notes on any securities exchange and, therefore, no active public market is anticipated for the Exchange Notes.

See Risk Factors beginning on page 10 for a discussion of factors that you should consider before tendering your Initial Notes.

Each broker-dealer that receives any Exchange Notes for its own account in the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The related letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of the Exchange Notes received in exchange for the Initial Notes where such Initial Notes in the Exchange Offer were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days following the effective date of the registration statement of which this prospectus forms a part, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 12, 2018.

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This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained or incorporated by reference into this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date.

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This prospectus incorporates by reference important business and financial information about us that is not included or delivered with this prospectus. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written requests should be directed to Gulfport Energy Corporation, Attention: Investor Relations, at 3001 Quail Springs Parkway, Oklahoma City, Oklahoma 73134. Oral requests should be made by calling our Investor Relations Department at (405) 252-4600.

In order to ensure timely delivery of the documents, you must make your requests to us no later than March 12, 2018 (which is five business days prior to the expiration of the exchange offer, unless we extend the exchange offer). In the event that we extend the exchange offer, you must submit your request at least five business days before the expiration date of the exchange offer, as extended.

WHERE YOU CAN FIND MORE INFORMATION

We currently file periodic reports and other information under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Under the terms of the Indenture, we have agreed that, whether or not we are required to do so by the rules and regulations of the Securities and Exchange Commission, or the SEC, after the Exchange Offer is completed and for so long as any of the Exchange Notes remain outstanding, we will furnish

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to the trustee and the holders of the Exchange Notes and, upon written request, to prospective investors, and file with the SEC (unless the SEC will not accept such a filing) (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if we were required to file such reports, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report thereon by our independent registered public accountant and (ii) all reports that would be required to be filed with the SEC on Form 8-K if we were required to file such reports, in each case within the time period specified in the rules and regulations of the SEC. In addition, for so long as any of the Exchange Notes remain outstanding, we have agreed to make available to any holder of the Exchange Notes or prospective purchaser of the Exchange Notes, at their request, the information required by Rule 144A(d)(4) under the Securities Act. This prospectus contains or incorporates by reference summaries of certain agreements that we have entered into, such as the Indenture and the agreements described under Description of Other Indebtedness and Description of the Exchange Notes. The descriptions contained or incorporated by reference into this prospectus of these agreements do not purport to be complete and are qualified in their entirety by reference to the definitive agreements. Copies of the definitive agreements will be made available without charge to you by making a written or oral request to us.

Our SEC filings are available to the public over the Internet at the SEC s web site at www.sec.gov. You may also read and copy any document we file with the SEC at the SEC s public reference room located at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and copy charges. Also, using our website, http://www.gulfportenergy.com, you can access electronic copies of documents we file with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any amendments to those reports. Information on our website is not incorporated by reference into this prospectus. You may also request a copy of those filings, excluding exhibits, at no cost by writing to Gulfport Energy Corporation, Attention: Investor Relations, at 3001 Quail Springs Parkway, Oklahoma City, Oklahoma 73134, or calling (405) 252-4600.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information we provide in other documents filed by us with the SEC. The information incorporated by reference is an important part of this prospectus. Any statement contained in a document that is incorporated by reference into this prospectus is automatically updated and superseded if information contained in this prospectus, or information that we later file with the SEC, modifies and replaces this information. We incorporate by reference the following documents that we have filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 15, 2017;
- the information specifically incorporated by reference into the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 from our definitive proxy statement on Schedule 14A, filed on May 1, 2017;
- our Quarterly Reports on Form 10-Q filed on May 9, 2017, August 9, 2017 and November 2, 2017, respectively, and

our Current Reports on Form 8-K, filed with the SEC on February 24, 2017, April 4, 2017, April 18, 2017, June 12, 2017, October 5, 2017, October 5, 2017, October 11, 2017, November 3, 2017 (except for Item 7.01), November 28, 2017 and January 2, 2018 (except for Item 7.01).

In addition, we incorporate by reference the financial statements of Diamondback Energy, Inc., or Diamondback, that have been included on pages F-1 to F-54 in Diamondback s Annual Report on Form 10-K (File No. 001-35700) filed with the SEC on February 20, 2015.

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In addition, all documents filed by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than those furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K, unless otherwise stated therein) (i) after the date of the initial registration statement of which this prospectus is a part and prior to effectiveness of such registration statement and (ii) after the date of this prospectus through the completion of the exchange offer, in each case, will be deemed to be incorporated by reference into this prospectus and to be a part of this prospectus from the dates of the filing of such documents. Pursuant to General Instruction B of Form 8-K, any information submitted under Item 2.02, Results of Operations and Financial Condition, or Item 7.01, Regulation FD Disclosure, of Form 8-K is not deemed to be filed for the purpose of Section 18 of the Exchange Act, and we are not subject to the liabilities of Section 18 with respect to information submitted under Item 2.02 or Item 7.01 of Form 8-K. We are not incorporating by reference any information submitted under Item 2.02 or Item 7.01 of Form 8-K into any filing under the Securities Act or the Exchange Act or into this prospectus, unless otherwise indicated on such Form 8-K.

You may request a copy of this prospectus or any of the incorporated documents (excluding exhibits, unless the exhibits are specifically incorporated) at no charge to you by writing to Gulfport Energy Corporation, Attention: Investor Relations, at 3001 Quail Springs Parkway, Oklahoma City, Oklahoma 73134, or calling (405) 252-4600.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed modified, superseded or replaced for purposes of this prospectus to the extent that a statement contained in this prospectus modifies, supersedes or replaces such statement.

INDUSTRY AND MARKET DATA

We obtained the industry and market data used throughout, or incorporated by reference into, this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data and we make no representation as to the accuracy of such information. Similarly, we believe our internal research is reliable but it has not been verified by any independent sources.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus may include forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as may, will, should, could, would, expects, plans, anticipates, intends, believes, predicts, potential and similar expressions intended to identify forward-looking statements. All statements, other than statements of historical facts, included in or incorporated by reference into this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, including such things as estimated future net revenues from oil and gas reserves and the present value thereof, future capital expenditures (including the amount and nature thereof), drilling activity, production, expenses, business strategy and measures to implement strategy, competitive strengths, goals, expansion and growth of our business and operations, references to future success, references to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the

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circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by us, competitive actions by other oil and gas companies, changes in laws or regulations, hurricanes and other natural disasters and other factors, many of which are beyond our control, including those discussed under the heading Risk Factors herein and those discussed in the documents we have incorporated by reference, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2017, June 30, 2017 and September 30, 2017, respectively, and subsequent filings we make with the SEC. Consequently, all of the forward-looking statements made in or incorporated by reference into this prospectus are qualified by these cautionary statements and we cannot assure you that the actual results or developments anticipated by us will be realized or, even if realized, that they will have the expected consequences to or effects on us, our business or operations. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus about us and the Exchange Offer. This summary does not contain all the information that is important to you. You should read the entire prospectus carefully, including the Risk Factors, as well as the financial statements and related notes thereto incorporated by reference into this prospectus. In this prospectus, except as otherwise indicated, the words Gulfport, the Company, we, us, our and ours refer to Gulfport Energy Corporation and its subsidiaries, unless otherwise indicated or the context otherwise requires. We have provided definitions for certain oil and natural gas terms used in this prospectus in the Glossary of Oil and Gas Terms.

Overview

We are an independent oil and natural gas exploration and production company focused on the exploration, exploitation, acquisition and production of natural gas, crude oil and natural gas liquids in the United States. Our corporate strategy is to internally identify prospects, acquire lands encompassing those prospects and evaluate those prospects using subsurface geology and geophysical data and exploratory drilling. Using this strategy, we have developed an oil and natural gas portfolio of proved reserves, as well as development and exploratory drilling opportunities on high potential conventional and unconventional oil and natural gas prospects. Our principal properties are located in the Utica Shale primarily in Eastern Ohio and the SCOOP Woodford and SCOOP Springer plays in Oklahoma. In addition, among other interests, we hold an acreage position along the Louisiana Gulf Coast in the West Cote Blanche Bay and Hackberry fields, an acreage position in the Alberta oil sands in Canada through our interest in Grizzly Oil Sands ULC and an approximate 25.1% equity interest in Mammoth Energy Services, Inc., an oil field services company listed on the Nasdaq Global Select Market (TUSK). We seek to achieve reserve growth and increase our cash flow through our annual drilling programs.

Our Offices

Our principal executive offices are located at 3001 Quail Springs Parkway, Oklahoma City, Oklahoma 73134, and our telephone number is (405) 252-4600. Our website address is www.gulfportenergy.com. Information contained on our website does not constitute a part of this prospectus.

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Summary of the Terms of the Exchange Offer

The summary below includes a description of the principal terms of the Exchange Offer. Certain of the terms and conditions described below are subject to important limitations and exceptions. Additional information regarding the terms and conditions of the Exchange Offer and the Exchange Notes can be found under the headings The Exchange Offer and Description of the Exchange Notes.

The Initial Notes	On October 11, 2017, we issued $450.0 million in aggregate principal amount of 6.375% Senior Notes due 2026, which we refer to as the Initial Notes, to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to certain non-U.S. persons in accordance with Regulation S under the Securities Act under an indenture among us, our subsidiary guarantors and Wells Fargo Bank, National Association, as the trustee, which indenture we refer to as the Indenture.
The Exchange Offer	We are offering to exchange up to $450.0 million aggregate principal amount of our 6.375% Senior Notes due 2026 that have been registered under the Securities Act for up to $450.0 million aggregate principal amount of Initial Notes. You may exchange your Initial Notes only by following the procedures described elsewhere in this prospectus under the The Exchange Offer Procedures for Tendering Initial Notes.
Registration Rights	We issued the Initial Notes in a private offering on October 11, 2017. In connection with the offering of the Initial Notes, we entered into the registration rights agreement with the initial purchasers of the Initial Notes, or the initial purchasers, which agreement provides for, among other things, this Exchange Offer.
Resale of Exchange Notes	Based upon interpretive letters written by the SEC, we believe that the Exchange Notes issued in the Exchange Offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: You are acquiring the Exchange Notes in the ordinary course of your business; You are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes; and

You are not our affiliate, as that term is defined for the purposes of Rule 144A under the Securities Act.

If any of the foregoing are not true and you transfer any Exchange Note without registering the Exchange Note and delivering a prospectus meeting the requirements of the Securities Act, or without an exemption from registration of your Exchange Notes from such requirements, you may incur liability under the Securities Act. We do

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	not assume any responsibility for, and will not indemnify you for, any such liability. Each broker-dealer that receives Exchange Notes for its own account in exchange for Initial Notes that were acquired by such broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the Exchange Notes. A broker-dealer may use this prospectus for an offer to resell, a resale or any other retransfer of the Exchange Notes. See Plan of Distribution.
Consequences of Failure to Exchange Initial Notes	Initial Notes that are not tendered or that are tendered but not accepted will, following the completion of the Exchange Offer, continue to be subject to existing restrictions upon transfer. The trading market for Initial Notes not exchanged in the Exchange Offer may be significantly more limited than at present. Therefore, if your Initial Notes are not tendered and accepted in the Exchange Offer, it may become more difficult for you to sell or transfer your Initial Notes. Furthermore, you will no longer be able to compel us to register the Initial Notes under the Securities Act and we will not be required to pay additional interest as described in the registration rights agreement. In addition, you will not be able to offer or sell the Initial Notes unless they are registered under the Securities Act (and we will have no obligation to register them, except in limited circumstances), or unless you offer or sell them under an exemption from the requirements of, or a transaction not subject to, the Securities Act.
Expiration of the Exchange Offer	The Exchange Offer will expire at midnight, New York City time on March 19, 2018, unless we decide to extend the expiration date for the Exchange Offer.
Conditions to the Exchange Offer	The Exchange Offer is not subject to any condition other than certain customary conditions, which we may, but are not required to, waive. We currently anticipate that each of the conditions will be satisfied and that we will not need to waive any conditions. We reserve the right to terminate or amend the Exchange Offer at any time before the expiration date of the Exchange Offer if any such condition occurs. In the event of a material change in the Exchange Offer, including the waiver of a material condition, we will extend, if necessary, the expiration date of the Exchange Offer such that at least five business days remain in the Exchange Offer following notice of the material change. For additional information regarding the conditions to the Exchange Offer, see The Exchange Offer Conditions to the Exchange Offer.

Procedures for Tendering Initial Notes	If you wish to accept the Exchange Offer, you must complete, sign and date the letter of transmittal, or a facsimile of the letter of

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	transmittal, and transmit it together with all other documents required by the letter of transmittal (including the Initial Notes to be exchanged) to Wells Fargo Bank, National Association, as exchange agent, at the address set forth on the cover page of the letter of transmittal. In the alternative, you can tender your Initial Notes by following the procedures for book-entry transfer, as described in this prospectus. For more information on accepting the Exchange Offer and tendering your Initial Notes, see The Exchange Offer Procedures for Tendering Initial Notes.
Special Procedures for Beneficial Holders	If you are a beneficial holder whose Initial Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your Initial Notes in the Exchange Offer, you should contact the registered holder promptly and instruct the registered holder to tender your Initial Notes on your behalf. If you are a beneficial holder and you wish to tender your Initial Notes on your own behalf, you must, prior to delivering the letter of transmittal and your Initial Notes to the exchange agent, either make appropriate arrangements to register ownership of your Initial Notes in your own name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.
Withdrawal Rights	You may withdraw the tender of your Initial Notes at any time prior to midnight, New York City time, on the expiration date of the Exchange Offer. To withdraw, you must send a written or facsimile transmission of your notice of withdrawal to the exchange agent as described under The Exchange Offer Withdrawal of Tenders by midnight, New York City time, on the expiration date.
Acceptance of Initial Notes and Delivery of Exchange Notes	Subject to certain conditions, we will accept all Initial Notes that are properly tendered in the Exchange Offer and not withdrawn prior to midnight, New York City time, on the expiration date. We will deliver the Exchange Notes promptly after the expiration date. Initial Notes will be validly tendered and not validly withdrawn if they are tendered in accordance with the terms of the Exchange Offer as detailed under The Exchange Offer Procedures for Tendering Initial Notes and not withdrawn in accordance with the terms of the Exchange Offer as detailed under The Exchange Offer Withdrawal of Tenders.
United States Federal Income Tax Consequences	We believe that the exchange of Initial Notes for Exchange Notes generally will not be a taxable exchange for federal income tax purposes, but you should consult your tax adviser about the tax consequences of this exchange. See Material U.S. Federal Income Tax Considerations.

Exchange Agent	Wells Fargo Bank, N.A., the trustee under the Indenture, is serving as exchange agent in connection with the Exchange Offer. The mailing

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	address of the exchange agent is set forth on the cover page of the letter of transmittal.
Fees and Expenses	We will bear all expenses related to consummating the Exchange Offer and complying with the registration rights agreement.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the Exchange Notes. We received net proceeds of approximately $444.5 million, after deducting the initial purchasers discounts and offering expenses, from the issuance of the Initial Notes, which we used to repay all of our outstanding borrowings under our secured revolving credit facility and for general corporate purposes, which included the funding of a portion of our 2017 capital development plans.
Regulatory Approvals	Other than those under federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the Exchange Offer.

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Summary Description of Exchange Notes

The terms of the Exchange Notes are identical in all material respects to the terms of the Initial Notes, except for transfer restrictions and registration rights that do not apply to the Exchange Notes. The Exchange Notes will evidence the same debt as the Initial Notes, and the Indenture will govern all of the Notes. The summary below describes the principal terms of the Exchange Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Exchange Notes section of this prospectus contains a more detailed description of the terms and conditions of the Exchange Notes.

Issuer	Gulfport Energy Corporation.
Exchange Notes Offered	$450.0 million in aggregate principal amount of 6.375% Senior Notes due 2026 registered under the Securities Act.
Maturity Date	The Notes mature on January 15, 2026.
Interest Rate and Payment Dates	The Exchange Notes will bear interest at the rate of 6.375% per annum, payable semi-annually on January 15 and July 15 of each year. The first interest payment date with respect to the Initial Notes is January 15, 2018. Interest on the Exchange Notes will accrue from the last interest payment date with respect to the Initial Notes and will be paid on the next interest payment date following the issuance of the Exchange Notes.
Guarantees	The Exchange Notes will be unconditionally guaranteed, jointly and severally, by all of our current and future restricted subsidiaries that guarantee our secured revolving credit facility or certain other debt. The Exchange Notes will not be guaranteed by Grizzly Holdings, Inc., which is an unrestricted subsidiary under the Indenture and is referred to herein as Grizzly Holdings, or any future unrestricted subsidiaries.
Ranking	The Exchange Notes will be our senior unsecured obligations and: will rank equally in right of payment with all of our senior indebtedness; will rank senior in right of payment to any of our future subordinated indebtedness; and

will be effectively subordinated to our secured indebtedness, including all borrowings and other obligations under our secured revolving credit facility, to the extent of the value of the collateral securing such indebtedness.

Similarly, the guarantees of the Exchange Notes will be senior unsecured obligations of the guarantors and:

will rank equally in right of payment with all of the applicable guarantor s senior indebtedness;

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will rank senior in right of payment to all of the applicable guarantor s future subordinated indebtedness, if any; and

will be effectively subordinated to all of the applicable guarantor s secured indebtedness, including the applicable guarantor s guarantee of all borrowings and other obligations under our secured revolving credit facility, to the extent of the value of the collateral securing such indebtedness.

The Exchange Notes and the guarantees will be structurally subordinated to all obligations, including trade payables, of any subsidiary that is not a guarantor, including any unrestricted subsidiary.

As of September 30, 2017, on an as adjusted basis after giving effect to the issuance of the Initial Notes and the repayment of all of our outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds thereof, the Exchange Notes and the guarantees would have ranked effectively subordinated to approximately $261.3 million of secured indebtedness, consisting of $237.5 million of letters of credit under our secured revolving credit facility and $23.8 million under our construction loan for our new corporate headquarters, in each case to the extent of the value of the assets securing such indebtedness. See Description of Other Indebtedness Construction Loan.

Optional Redemption

On and after January 15, 2021, we will be entitled, at our option, to redeem all or a portion of the Notes (including the Exchange Notes) at the redemption prices listed under Description of the Exchange Notes Optional Redemption, plus accrued interest to the redemption date. Prior to January 15, 2021, we will be entitled, at our option, to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus a make-whole premium and accrued and unpaid interest to the redemption date.

In addition, any time prior to January 15, 2021, we will be entitled, at our option, to redeem the Notes (including the Exchange Notes) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes issued prior to such date at a redemption price of 106.375%, plus accrued and unpaid interest to the redemption date, with an amount equal to the net cash proceeds from certain equity offerings. See Description of the Exchange Notes Optional Redemption.

Mandatory Offers to Purchase	If we experience a change of control (as defined in the Indenture), we will be required to make an offer to repurchase the Notes (including Exchange Notes) at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. See Description of the Exchange Notes Change of Control and Risk Factors.

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If we sell certain assets and fail to use the proceeds in a manner specified in the Indenture, we will be required to make an offer to repurchase the Notes (including the Exchange Notes) issued under the Indenture at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase. See Description of the Exchange Notes Certain Covenants Limitation on Sales of Assets and Subsidiary Stock.

Restrictive Covenants

The Indenture contains certain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur or guarantee additional indebtedness;
- make certain investments;
- declare or pay dividends or make distributions on our capital stock;
- prepay subordinated indebtedness;
- sell assets including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with our affiliates;
- incur liens;
- engage in business other than the oil and gas business; and
- designate certain of our subsidiaries as unrestricted subsidiaries.

	These limitations are subject to a number of exceptions and qualifications. See Description of the Exchange Notes Certain Covenants.
No Prior Market	The Exchange Notes will not be listed on any securities exchange or included in any automated quotation system. When the Initial Notes were issued, such Initial Notes were new securities with no established market. The initial purchasers have advised us that they have been making a market in the Initial Notes and, when issued, intend to make a market in the Exchange Notes. The initial purchasers, however, are not obligated to do so and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Exchange Notes will develop or be maintained.
Risk Factors	You should consider carefully the information set forth in the section entitled Risk Factors and all other information contained in or incorporated by reference into this prospectus for a discussion of certain risks relating to an investment in the Exchange Notes.

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RATIO OF EARNINGS (DEFICIT) TO FIXED CHARGES

The following table sets forth our ratios of earnings (deficit) to fixed charges for the periods indicated. We have calculated the ratio of earnings (deficit) to fixed charges by dividing the sum of income from continuing operations plus fixed charges by fixed charges. Fixed charges consist of interest expense and capitalized interest. You should read these ratios in connection with our consolidated financial statements incorporated by reference herein. The financial measures used in this table may not be comparable to similarly titled financial measures used in our various agreements, including our secured revolving credit facility, the indentures governing our senior notes outstanding as of September 30, 2017 and the Indenture.

	Year Ended December 31,					Nine Months Ended September 30,	
	2016	2015	2014	2013	2012	2017	2016
	(in thousands except for ratio)						
Earnings							
(Loss) income from continuing operations before income taxes	$ (982,622)	$ (1,480,885)	$ 400,744	$ 251,328	$ 98,199	$ 281,389	$ (743,094)
Interest expense including capitalized interest	72,678	64,801	33,673	24,622	7,458	83,550	53,813
Income before fixed charges	$ (909,944)	$ (1,416,084)	$ 434,417	$ 275,950	$ 105,657	$ 364,939	$ (689,281)
Fixed Charges							
Interest expense	72,678	64,801	33,673	24,622	7,458	83,550	53,813
Total fixed charges	72,678	64,801	33,673	24,622	7,458	83,550	53,813
Earnings/fixed charge coverage ratio	**N/A(1)**	**N/A(1)**	**12.9**	**11.2**	**14.2**	**4.4**	**N/A(1)**

(1) Earnings for the years ended December 31, 2016 and 2015 and the nine months ended September 30, 2016 were insufficient to cover fixed charges by $1.1 billion, $1.5 billion and $796.9 million, respectively.

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RISK FACTORS

You should carefully consider each of the risks described below, in our Annual Report on Form 10-K for the year ended December 31, 2016, our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2017, June 30, 2017 and September 30, 2017, respectively, and subsequent filings we make with the SEC, in each case incorporated by reference into this prospectus, and all of the other information contained in or incorporated by reference into this prospectus, before participating in the Exchange Offer. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The risks described below and those incorporated by reference into this prospectus are not the only ones facing us. Additional risks not presently known to us or which we currently consider immaterial also may adversely affect us.

Risks Related to the Exchange Notes, the Exchange Offer and Our Other Indebtedness

Your failure to participate in the Exchange Offer may have adverse consequences.

If you do not exchange your Initial Notes for Exchange Notes in the Exchange Offer, you will continue to be subject to the restrictions on transfer of your Initial Notes, as set forth in the legend on your Initial Notes. The restrictions on transfer of your Initial Notes arise because we sold the Initial Notes in a private offering. In general, the Initial Notes may not be offered or sold, unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirements.

After completion of the Exchange Offer, holders of Initial Notes who do not tender their Initial Notes in the Exchange Offer will no longer be entitled to any exchange or registration rights under the registration rights agreement, except in limited circumstances. The tender of Initial Notes under the Exchange Offer will reduce the principal amount of such currently outstanding Initial Notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding Initial Notes that you continue to hold following completion of the Exchange Offer. See The Exchange Offer.

You must comply with the Exchange Offer procedures in order to receive new, freely tradable Exchange Notes.

Delivery of the Exchange Notes in exchange for the Initial Notes tendered and accepted for exchange pursuant to the Exchange Offer will be made provided the procedures for tendering the Initial Notes are followed. We are not required to notify you of defects or irregularities in tenders of Initial Notes for exchange. See The Exchange Offer.

Some holders who exchange their Initial Notes may be deemed to have received restricted securities, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your Initial Notes in the Exchange Offer for the purpose of participating in a distribution of the Exchange Notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

The consummation of the Exchange Offer may not occur.

We are not obligated to complete the Exchange Offer under certain circumstances. See The Exchange Offer Conditions to the Exchange Offer. Even if the Exchange Offer is completed, it may not be completed on the schedule described in this prospectus. Accordingly, holders participating in the Exchange Offer may have to wait longer than expected to receive their Exchange Notes. You may be required to deliver prospectuses and comply with other requirements in

connection with any resale of the Exchange Notes.

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We cannot assure you that an active trading market will develop for the Exchange Notes.

We do not intend to apply for listing of the Exchange Notes on any securities exchange or to arrange for quotation of the Exchange Notes on any automated dealer quotation system. When the Initial Notes were issued, such Initial Notes were new securities with no established trading market. The initial purchasers have advised us that they have been making a market in the Initial Notes and, when issued, intend to make a market in the Exchange Notes. The initial purchasers are not obligated, however, to do so, and any such market may be discontinued by the initial purchasers in their discretion at any time without notice. See Plan of Distribution. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, we cannot assure you that an active trading market for the Exchange Notes will develop or will be maintained. If an active trading market is not developed or maintained, the market price and liquidity of the Exchange Notes may be adversely affected. In that case, you may not be able to sell your Exchange Notes at a particular time, or you may not be able to sell your Exchange Notes at a favorable price. Consequently, a purchaser of the Exchange Notes may not be able to liquidate its investment readily and the Exchange Notes may not be readily accepted as collateral for loans. Furthermore, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the price of the securities. Any disruptions may have a negative effect on noteholders, regardless of our prospects and financial performance.

Our substantial level of indebtedness could adversely affect our business, financial condition, results of operations and prospects and prevent us from fulfilling our obligations under the Notes and our other indebtedness.

As of September 30, 2017, on an as adjusted basis after giving effect to the issuance of the Initial Notes on October 11, 2017 and the repayment of all of our outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds thereof, we would have had total indebtedness (net of associated accrued discount and premiums and unamortized debt issuance costs) of approximately $2.1 billion, including $350.0 million attributable to our outstanding 6.625% Senior Notes due 2023, which we refer to as the 2023 Notes, $650.0 million attributable to our outstanding 6.000% Senior Notes due 2024, which we refer to as the 2024 Notes, $600.0 million attributable to our outstanding 6.375% Senior Notes due 2025, which we refer to as the 2025 Notes, $450.0 million attributable to the Initial Notes, no borrowings outstanding under our secured revolving credit facility and approximately $23.8 million outstanding under the construction loan for our new corporate headquarters. As of September 30, 2017, we had a borrowing base of $1.0 billion, $365.0 million in borrowings outstanding and borrowing base availability of $397.5 million under our secured revolving credit facility after giving effect to an aggregate of $237.5 million of the outstanding letters of credit. On October 11, 2017, we repaid all of our then outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes. On November 21, 2017, our secured revolving credit facility was amended to increase the borrowing base from $1.0 billion to $1.2 billion, and we elected a commitment amount of $1.0 billion under such facility. As of November 21, 2017, approximately $240.0 million of letters of credit were outstanding under our senior secured revolving credit facility and there were no outstanding borrowings under such facility.

Our outstanding indebtedness could have important consequences to you, including the following:

- our high level of indebtedness could make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in a default under our secured revolving credit facility, the indentures relating to the 2023 Notes, the 2024 Notes and the 2025 Notes or the Indenture;

the restrictions imposed on the operation of our business by the terms of our debt agreements may hinder our ability to take advantage of strategic opportunities to grow our business;

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- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes may be impaired, which could be exacerbated by further volatility in the credit markets;

- we must use a substantial portion of our cash flow from operations to pay interest on the Notes and our other indebtedness, which will reduce the funds available to us for operations and other purposes;

- our level of indebtedness could place us at a competitive disadvantage compared to our competitors that may have proportionately less debt;

- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited;

- our high level of indebtedness makes us more vulnerable to economic downturns and adverse developments in our business; and

- we may be vulnerable to interest rate increases, as our borrowings under our secured revolving credit facility are at variable interest rates.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our obligations under the Notes.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Notes.

Any default under the agreements governing our indebtedness could prohibit us from making payments of principal, premium, if any, or interest on the Notes and could substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. More specifically, the lenders under our secured revolving credit facility could elect to terminate their commitments, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or litigation.

Any significant reduction in our borrowing base under our secured revolving credit facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact our ability to fund our operations, and we may not have sufficient funds to repay borrowings under our secured revolving credit facility if required as a result of a borrowing base redetermination.

As of September 30, 2017, we had a borrowing base of $1.0 billion, $365.0 million in borrowings outstanding and borrowing base availability of $397.5 million under our secured revolving credit facility after giving effect to an aggregate of $237.5 million of letters of credit. On October 11, 2017, we repaid all of our then outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes. On

November 21, 2017, our secured revolving credit facility was amended to increase the borrowing base from $1.0 billion to $1.2 billion, and we elected a commitment amount of $1.0 billion under such facility. As of November 21, 2017, approximately $240.0 million of letters of credit were outstanding under our senior secured revolving credit facility and there were no outstanding borrowings under such facility. The borrowing base is subject to scheduled semiannual and other elective collateral borrowing base redeterminations based on our oil and natural gas reserves and other factors. Under our secured revolving credit facility, any future issuance of senior notes will reduce the borrowing base under our senior secured revolving credit facility by 25% of the amount of such issuance (net of any proceeds used to repurchase or redeem senior notes).

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We intend to continue to borrow under our secured revolving credit facility in the future. Any significant reduction in our borrowing base as a result of such borrowing base redeterminations or otherwise may negatively impact our liquidity and our ability to fund our operations and, as a result, may have a material adverse effect on our financial position, results of operation and cash flow. Further, if the outstanding borrowings under our secured revolving credit facility were to exceed the borrowing base as a result of any such redetermination, we would be required to repay the excess. We may not have sufficient funds to make such repayments. If we do not have sufficient funds and we are otherwise unable to negotiate renewals of our borrowings or arrange new financing, we may have to sell significant assets. Any such sale could have a material adverse effect on our business and financial results.

Servicing our indebtedness requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial indebtedness.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the 2023 Notes, the 2024 Notes, the 2025 Notes and the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. However, we cannot assure you that undertaking alternative financing plans, if necessary, would allow us to meet our debt obligations. In the absence of such cash flows, we could have substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations.

Our existing debt agreements, including the Indenture, restrict our ability to use the proceeds from asset sales. We may not be able to consummate those asset sales to raise capital or sell assets at prices that we believe are fair, and proceeds that we do receive may not be adequate to meet any debt service obligations then due. See Description of Other Indebtedness and Description of the Exchange Notes. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at the time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and have an adverse effect on our financial condition.

We may still be able to incur substantial additional indebtedness in the future, which could further exacerbate the risks that we and our subsidiaries face.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our existing debt agreements, including the Indenture, restrict, but in each case do not completely prohibit, us from doing so. As of September 30, 2017, we had a borrowing base of $1.0 billion, $365.0 million in borrowings outstanding and borrowing base availability of $397.5 million under our secured revolving credit facility after giving effect to an aggregate of $237.5 million of letters of credit. On October 11, 2017, we repaid all of our then outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes. On November 21, 2017, our secured revolving credit facility was amended to increase the borrowing base from $1.0 billion to $1.2 billion, and we elected a commitment amount of $1.0 billion under such facility. As of November 21, 2017, approximately $240.0 million of letters of credit were outstanding under our senior secured revolving credit facility and there were no outstanding borrowings under such facility. Our existing debt agreements, including the Indenture, allow us to issue additional notes under certain circumstances which will also be guaranteed by the guarantors. Our existing debt agreements, including the Indenture, allow us to incur certain other additional secured debt and allow our subsidiaries that do not guarantee the Notes to incur additional debt, which would be structurally senior to the Notes. In addition, our existing debt agreements, including the Indenture, do not prevent us

from incurring other liabilities that do not constitute indebtedness. See Description of the Exchange Notes. If we or a guarantor incur any additional unsecured indebtedness, the holders of that indebtedness will be entitled to share ratably with holders of the

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Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us or a guarantor. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

Restrictive covenants in our existing debt agreements, including the Indenture, and in future debt instruments may restrict our ability to pursue our business strategies.

Our existing debt agreements, including the Indenture, limit, and the terms of any future indebtedness may limit, our ability, among other things, to:

- incur or guarantee additional indebtedness;
- make certain investments;
- declare or pay dividends or make distributions on our capital stock;
- prepay certain indebtedness;
- sell assets including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting our restricted subsidiaries;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into transactions with our affiliates;
- incur liens;
- engage in business other than the oil and gas business; and
- designate certain of our subsidiaries as unrestricted subsidiaries.

The restrictions contained in these agreements could limit our ability to plan for, or react to, market conditions, meet capital needs, make acquisitions or otherwise restrict our activities or business plans.

We may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the restrictive covenants contained in our existing debt agreements. In addition, our secured revolving credit

facility requires us to maintain certain financial ratios and tests. The requirement that we comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures or withstand a continuing or future downturn in our business.

A breach of any of these restrictive covenants could result in a default under the agreement governing our secured revolving credit facility, the Indenture or the indentures governing the 2023 Notes, the 2024 Notes and the 2025 Notes. If a default occurs, the lenders under our secured revolving credit facility, the holders of the 2023 Notes, the holders of the 2024 Notes, the holders of the 2025 Notes, the holders of the Notes or all of them, may elect to declare all debt outstanding under such agreement, together with accrued interest and other amounts, to be immediately due and payable, which would result in an event of default under the Indenture. The lenders under our secured revolving credit facility will also have the right in these circumstances to terminate any commitments they have to provide further borrowings. If we are unable to repay outstanding borrowings when due, the lenders under our secured revolving credit facility will also have the right to proceed against the collateral granted to them. If the indebtedness under our secured revolving credit facility or our outstanding 2023 Notes, 2024 Notes , 2025 Notes or the Notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness. See Description of the Exchange Notes Certain Covenants.

Our borrowings under our secured revolving credit facility expose us to interest rate risk.

Our earnings are exposed to interest rate risk associated with borrowings under our secured revolving credit facility. Our secured revolving credit facility is structured under floating rate terms, as advances under such

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facility may be in the form of either base rate loans or eurodollar loans. As such, our interest expense is sensitive to fluctuations in the prime rate in the U.S. or, if eurodollar rates are elected, the eurodollar rates. As of September 30, 2017, we had $365.0 million in borrowings and $237.5 million of letters of credit outstanding under our senior secured credit facility. On October 11, 2017, we repaid all of our then outstanding borrowings under our secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes. On October 11, 2017, the last day on which there were borrowings under our secured revolving credit facility, we had $365.0 million in borrowings outstanding under our secured revolving credit facility, which bore interest at the Eurodollar rate of 3.74%. A 1.0% increase in the average interest rate for the nine months ended September 30, 2017 would have resulted in an estimated $0.8 million increase in interest expense. As of September 30, 2017, we did not have any interest rate swaps to hedge our interest rate risks.

If we experience liquidity concerns, we could face a downgrade in our debt ratings, which could restrict our access to, and negatively impact the terms of, current or future financings or trade credit.

Our ability to obtain financings and trade credit and the terms of any financings or trade credit are, in part, dependent on the credit ratings assigned to our debt by independent credit rating agencies. We cannot provide assurance that any of our current ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term production growth opportunities, liquidity, asset quality, cost structure, product mix and commodity pricing levels. A ratings downgrade could adversely impact our ability to access financings or trade credit and increase our borrowing costs.

We have capacity to make substantial restricted payments.

Under the Indenture, we have capacity to make substantial restricted payments, which may include dividends, stock repurchases, restricted investments and certain other payments. As of September 30, 2017, we would have been able to make approximately $3.5 billion of restricted payments under the formula set forth in the Indenture covenant relating to restricted payments, which is described under the caption Description of the Exchange Notes Certain Covenants Limitation on Restricted Payments, subject to other limitations set forth in that covenant and limitations imposed by applicable law. In addition, the Indenture permits us to make other substantial restricted payments and substantial permitted investments.

The restrictive covenants in the Indenture are subject to a number of important qualifications, exceptions and limitations, and will be subject to amendment.

The restrictive covenants in the Indenture only apply to our restricted subsidiaries and are subject to a number of other important qualifications, exceptions and limitations. This means that the restrictions are not absolute prohibitions. We and our restricted subsidiaries may be able to engage in some of the restricted activities, such as incurring additional debt, securing assets in priority to the claims of the holders of the Notes, paying dividends, making investments, selling assets and entering into mergers or other business combinations, in limited amounts, or in certain circumstances, in unlimited amounts, notwithstanding the restrictive covenants. Our unrestricted subsidiaries, including Grizzly Holdings and its subsidiaries, will be permitted to engage in such activities without material limitation under the Indenture. See Description of the Exchange Notes Certain Covenants. These actions could be detrimental to our ability to make payments of principal and interest when due and to comply with our other obligations under the Notes and could reduce the amount of our assets that would be available to satisfy your claims should we default on the Notes.

In addition, the restrictive covenants in the Indenture generally can be amended with the consent of holders of a majority of the Notes issued under the Indenture, and any such amendment would bind all holders of such Notes, including ones that did not vote in favor of the amendment. Any such amendment could delete one or more restrictive covenants or add additional qualifications, exceptions or limitations.

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The restrictive covenants in our secured revolving credit facility, the indentures governing our outstanding 2023 Notes, 2024 Notes and 2025 Notes, the Indenture and other debt instruments are also subject to a number of important qualifications, exceptions and limitations, and to amendment.

The restrictive covenants in our secured revolving credit facility, the indentures governing our outstanding 2023 Notes, 2024 Notes and 2025 Notes and the Indenture are subject to a number of important qualifications, exceptions and limitations. We and our subsidiaries may be able to engage in some of the restricted activities, in limited amounts, or in certain circumstances, in unlimited amounts, notwithstanding the restrictive covenants. Further, the restrictive covenants in the secured revolving credit facility and the indentures governing our outstanding 2023 Notes, 2024 Notes and 2025 Notes can be amended or waived without the consent of the holders of the Notes, and the lenders under the secured revolving credit facility and the holders of our outstanding 2023 Notes, the 2024 Notes and the 2025 Notes may have interests that are opposed to the interest of the holders of the Notes. Restrictive covenants, if any, in future debt instruments could be subject to similar qualifications, exceptions, limitations, amendments and waivers. There can be no assurance that restrictive covenants in any other debt instrument will limit our activities.

We face risks related to rating agency downgrades.

We expect one or more rating agencies to rate the Notes. If such rating agencies either assign the Notes a rating lower than the rating expected by the investors, or reduce the rating in the future, the market price of the Notes may be adversely affected, raising capital may become more difficult and borrowing costs under our secured revolving credit facility and other future borrowings may increase.

The Exchange Notes will be unsecured and effectively junior to the claims of any existing and future secured creditors. Further, the guarantees of the Exchange Notes will be effectively subordinated to all our guarantors existing and future secured indebtedness.

The Exchange Notes will be unsecured obligations and will rank equally in right of payment with all of our other existing and future unsecured, unsubordinated obligations, including the Initial Notes and our outstanding 2023 Notes, 2024 Notes and 2025 Notes. The Exchange Notes will not be secured by any of our assets and will be effectively junior to the claims of any secured creditors and to the existing and future secured liabilities of our subsidiary guarantors to the extent of the value of the assets securing the secured liabilities. As of September 30, 2017, the amount of our secured debt was approximately $626.3 million, consisting of $365.0 million of borrowings and $237.5 million of letters of credit outstanding under our secured revolving credit facility and approximately $23.8 million outstanding under our construction loan for our new corporate headquarters. On October 11, 2017, we repaid all of our then outstanding indebtedness under our secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes. Our obligations under our secured revolving credit facility are secured by substantially all of our proved oil and gas assets, and are guaranteed by all of the subsidiaries that guarantee the Notes, as well as by Grizzly Holdings, which does not guarantee the Initial Notes and will not guarantee the Exchange Notes. In addition, we may incur other senior indebtedness, which may be substantial in amount, and which may, in certain circumstances, be secured. Any future claims of secured lenders, including the lenders under our secured revolving credit facility, with respect to assets securing their loans will be prior to any claim of the holders of the Notes with respect to those assets. As a result, our assets may be insufficient to pay amounts due on your Notes or holders of the Notes may receive less, ratably, than holders of secured indebtedness. Further, since the Exchange Notes will rank equally in right of payment with the Initial Notes, our outstanding 2023 Notes, 2024 Notes and 2025 Notes and all of our other existing and future unsecured, unsubordinated obligations, in the event that our assets are insufficient to pay all amounts due on your Notes, our available assets will not be distributed solely to holders of the Notes, but instead may be distributed ratably to the holders of all of our unsecured, unsubordinated obligations, including our outstanding 2023 Notes, 2024 Notes and 2025 Notes, which could reduce your recovery.

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Not all of our subsidiaries are guarantors and therefore the Exchange Notes will be structurally subordinated to the indebtedness and other liabilities of our existing or future subsidiaries that do not or will not guarantee the Notes, including the Exchange Notes.

The Initial Notes are not, and the Exchange Notes will not be, guaranteed by all of our subsidiaries. Restricted subsidiaries that guarantee our secured revolving credit facility and certain other debt are required to guarantee the Notes, including the Exchange Notes, but other subsidiaries, including unrestricted subsidiaries, are not and will not be required to guarantee the Notes. Claims of holders of the Notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries. Our non-guarantor subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments. Any right that we or the subsidiary guarantors will have to receive any assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of noteholders to realize proceeds from the sale of any of those subsidiaries assets, will be effectively subordinated to the claims of those subsidiaries creditors, including trade creditors and holders of debt of that subsidiary. In addition, the Indenture permits non-guarantor subsidiaries to incur significant additional indebtedness. See Description of the Exchange Notes. As of September 30, 2017, our non-guarantor subsidiaries had $58.7 million of total assets and $.01 million of total liabilities (excluding Grizzly Holdings guarantee of our secured revolving credit facility) and generated none of our consolidated revenues. At the time of this prospectus, all of our subsidiaries are guarantors, other than Grizzly Holdings, which is an unrestricted subsidiary and does not guarantee the Notes, but which does guarantee our secured revolving credit facility.

Fraudulent conveyance laws may allow courts, under specific circumstances, to void the Notes and require noteholders to return payments received.

The Exchange Notes may be subject to claims that they should be limited, subordinated or voided under applicable law in favor of our existing or future creditors. These laws include those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally. The intended use of proceeds of the Initial Notes could increase these risks.

In general, under fraudulent conveyance and similar laws, a court might void or otherwise decline to enforce the Notes if it found that when we issued the Notes, or, in certain instances, when payments became due under the Notes, we received less than reasonably equivalent value or fair consideration and one of the following is true:

- we were insolvent or rendered insolvent by reason of such incurrence;
- we were engaged in a business or transaction for which our remaining assets constituted unreasonably small capital;
- we intended to, or believed or reasonably should have believed that we would, incur debts beyond our ability to pay such debts as they mature; or

we were a defendant in an action for money damages, or had a judgment for money damages docketed against us if, in either case, after final judgment, the judgment is unsatisfied (as all of the foregoing terms may be defined in or interpreted under the relevant fraudulent transfer or conveyance statutes).

A court might also void the Notes without regard to the above factors if such court found that we issued the Notes with actual intent to hinder, delay or defraud our creditors. A court could also find we did not substantially benefit directly or indirectly from the issuance of the Notes. As a general matter, value is given for a note if, in exchange for the Note, property is transferred or a present or an antecedent debt is satisfied. A debtor generally may not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment, repay share premium or otherwise to retire or redeem equity securities issued by the debtor.

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The measures of insolvency applied by courts will vary depending upon the particular fraudulent transfer law applied in any proceeding to determine whether a fraudulent transfer has occurred. In the event of a finding that a fraudulent conveyance or transfer has occurred, a court may void, or hold unenforceable, the Notes, which could mean that you may not receive any payments on the Notes and the court may direct you to repay any amounts that you have already received from the issuer for the benefit of creditors. Furthermore, the holders of voided Notes would cease to have any direct claim against us. Consequently, our assets would be applied first to satisfy our other liabilities, before any portion of our assets could be applied to the payment of the Notes. Sufficient funds to repay the Notes may not be available from other sources. Moreover, the voidance of the Notes could result in an event of default with respect to our other debt that could result in acceleration of such debt (if not otherwise accelerated due to insolvency or other proceeding).

The guarantees provided by the guarantors may not be enforceable and, under specific circumstances, federal and state courts may void the guarantees and require holders to return payments received from the guarantors.

Although the Exchange Notes will be guaranteed by certain of our restricted subsidiaries, a court could void or subordinate any guarantor s guarantee under federal or state fraudulent conveyance laws if existing or future creditors of any such guarantor were successful in establishing that such guarantee was incurred with fraudulent intent or such guarantor did not receive fair consideration or reasonably equivalent value for issuing its guarantee and either:

- such guarantor was insolvent or rendered insolvent by reason of such incurrence;
- such guarantor was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital;
- such guarantor intended to, or believed or reasonably should have believed that it would, incur debts beyond its ability to pay such debts as they mature; or
- such guarantor was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, after final judgment, the judgment is unsatisfied (as all of the foregoing terms may be defined in or interpreted under the relevant fraudulent transfer or conveyance statutes).

In such event, any payment by a guarantor pursuant to its guarantee could be subordinated or voided and required to be returned to the guarantor or to a fund for the benefit of the guarantor s creditors. The measures of insolvency for purposes of determining whether a fraudulent conveyance occurred would vary depending upon the laws of the relevant jurisdiction and upon the valuation assumptions and methodology applied by the court. Generally, however, a company would be considered insolvent for purposes of the foregoing if:

- the sum of the company s debts, including contingent, unliquidated and unmanned liabilities, is greater than such company s property at fair valuation;

the present fair saleable value of the company s assets is less than the amount that will be required to pay the probable liability on its existing debts, including contingent liabilities, as they become absolute and matured; or

the company could not pay its debts or contingent liabilities as they become due.

We have no assurance as to what standard a court would use to determine whether or not a guarantor would be solvent at the relevant time, or regardless of the standard used, that the guarantees would not be voided or subordinated to any guarantor s other debt. If such a case were to occur, the applicable guarantee could be subject to the claim that, since such guarantee was incurred for the benefit of the Company and only indirectly for the benefit of the guarantor, the obligations of such guarantor were incurred for less than fair consideration.

Each guarantee of the Notes contains a provision, referred to as the savings clause, designed to limit the guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations

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under its guarantee to be a fraudulent transfer. However, there is some doubt as to whether this type of provision is effective to protect such guarantee from being voided under fraudulent transfer law. For example, in 2009, the U.S. Bankruptcy Court in the Southern District of Florida in *Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp N. Am., Inc.* found a savings clause provision in that case to be ineffective and held those guarantees to be fraudulent transfers and voided them in their entirety. In 2012, the United States Court of Appeals for the Eleventh Circuit upheld the bankruptcy court s decision finding the savings clause to be ineffective.

If a guarantor s guarantee is voided as a fraudulent conveyance or found to be unenforceable for any other reason, holders of the Notes will not have a claim against such guarantor and will only be a creditor of the Company and the remaining guarantors, if any, to the extent the guarantees of those guarantors are not set aside or found to be unenforceable. The Notes then would in effect be structurally subordinated to all liabilities of each guarantor whose guarantee was voided.

Changes in our credit ratings or the debt markets may adversely affect the market price of the Notes.

The price for the Notes will depend on a number of factors, including:

- our credit ratings with major credit rating agencies;
- the prevailing interest rates being paid by other companies similar to us;
- the market price of our common stock;
- our financial condition, operating performance and future prospects; and
- the overall condition of the financial markets and global and domestic economies.

The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of the Notes. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the industries in which we operate as a whole and may change their credit rating for us based on their overall view of such industries. A negative change in our rating could have an adverse effect on the price of the Notes.

Upon a change of control, we may not have the ability to raise the funds necessary to finance the change of control offer required by the Indenture, which would violate the terms of the Notes.

Upon the occurrence of a change of control, holders of all of the Notes, including the Exchange Notes will have the right to require us to purchase all or any part of such holders notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. There can be no assurance that either we or our subsidiary guarantors would have sufficient financial resources available to satisfy all of our or their obligations under the Notes in the event of a change in control. Our failure to purchase the notes as required under the Indenture would result in a default under the Indenture, which could have material adverse consequences for us and the holders

of the Notes. See Description of the Exchange Notes Change of Control.

We may enter into transactions that would not constitute change of control that could affect our ability to satisfy our obligations under the Notes.

Legal uncertainty regarding what constitutes a change of control and the provisions of the Indenture may allow us to enter into transactions such as acquisitions, refinancings or recapitalizations that would not constitute a change of control but may increase our outstanding indebtedness or otherwise affect our ability to satisfy our obligations under the Notes. The definition of change of control for purposes of the Notes includes phrases

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relating to the transfer of all or substantially all of our assets (determined on a consolidated basis). Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly your ability to require us to repurchase notes as result of transfer of less than all of our assets to another person may be uncertain. See Description of the Exchange Notes Change of Control.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the Exchange Notes. We received net proceeds of approximately $444.5 million, after deducting the initial purchasers discounts and offering expenses, from the issuance of the Initial Notes, which we used to repay all of our then outstanding borrowings under our secured revolving credit facility and for general corporate purposes, which included the funding of a portion of our 2017 capital development plans.

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THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

In connection with the issuance of the Initial Notes we entered into a registration rights agreement that provides for the Exchange Offer, or the registration rights agreement. The registration statement of which this prospectus forms a part was filed in compliance with the obligations under such registration rights agreement. A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. Under such registration rights agreement we agreed that we would, subject to certain exceptions:

- file a registration statement with the SEC, with respect to a registered offer to exchange the Initial Notes for the Exchange Notes having terms substantially identical in all material respects to such Initial Notes (except that the Exchange Notes will not contain transfer restrictions);
- use our commercially reasonable best efforts to cause the registration statement relating to the Initial Notes to be declared effective under the Securities Act within 330 days after the issue date of such Initial Notes;
- as soon as practicable after the date on which the registration statement is declared effective, offer the Exchange Notes in exchange for surrender of the Initial Notes; and
- keep the Exchange Offer open for not less than 30 days (or longer if required by applicable law) after the date notice of the Exchange Offer is sent to the holders of the Initial Notes.

For each Initial Note tendered to us pursuant to the Exchange Offer, we will issue to the holder of such Initial Note an Exchange Note having a principal amount equal to that of the surrendered Initial Note. Interest on each Exchange Note will accrue from the last interest payment date on which interest was paid on the Initial Note surrendered in exchange therefor, or, if no interest has been paid on such Initial Note, from the date of its original issue.

Under existing SEC interpretations, the Exchange Notes will be freely transferable by holders other than our affiliates after the completion of the Exchange Offer without further registration under the Securities Act if the holder of the Exchange Notes represents to us in the Exchange Offer that it is acquiring the Exchange Notes in the ordinary course of its business, that it has no arrangement or understanding with any person to participate in the distribution of the Exchange Notes and that it is not an affiliate of ours, as such terms are interpreted by the SEC; provided, however, that broker-dealers receiving the Exchange Notes in the Exchange Offer will have a prospectus delivery requirement with respect to resales of such Exchange Notes. The SEC has taken the position that such participating broker-dealers may fulfill their prospectus delivery requirements with respect to the Exchange Notes (other than a resale of an unsold allotment from the original sale of the Initial Notes) with this prospectus contained in the registration statement. Under the registration rights agreement, we are required to allow participating broker-dealers and other persons, if any, with similar prospectus delivery requirements to use the prospectus contained in the registration statement in connection with the resale of such Exchange Notes for 180 days following the effective date of such registration statement (or such shorter period during which participating broker-dealers are required by law to deliver such prospectus). Each broker-dealer that receives the Exchange Notes for its own account in exchange for the Initial Notes, where such Initial Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of

Distribution.

A holder of Initial Notes (other than certain specified holders) who wishes to exchange the Initial Notes for the Exchange Notes in the Exchange Offer will be required to represent that any Exchange Notes to be received by it will be acquired in the ordinary course of its business and that at the time of the commencement of the Exchange Offer it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes and that it is not an affiliate of ours, as defined in Rule 405 of the Securities Act, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

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In the event that:

(1) applicable interpretations of the staff of the SEC do not permit us to effect the Exchange Offer; or

(2) for any other reason we do not consummate the Exchange Offer within 365 days of the issue date of the Initial Notes; or

(3) an initial purchaser notifies us following consummation of the Exchange Offer that the Initial Notes held by it are not eligible to be exchanged for Exchange Notes in the Exchange Offer; or

(4) certain holders (other than participating broker-dealers) notify us that they are prohibited by law or SEC policy from participating in the Exchange Offer or may not resell the Exchange Notes acquired by them in the Exchange Offer to the public without delivering a prospectus,

then, we will, subject to certain exceptions:

(A) promptly (but in no event more than 30 days after so required pursuant to clause (1), (2), (3) or (4) above) file a shelf registration statement with the SEC covering resales of the Initial Notes or the Exchange Notes, as the case may be, that constitute Transfer Restricted Securities (as defined in the registration rights agreement);

(B) (x) in the case of clause (1) above, use our commercially reasonable efforts to cause the shelf registration statement to be declared effective under the Securities Act on or prior to the later to occur of (i) the 365th day following the original issue date of the Initial Notes and (ii) the 180th day after the date of the event described in the clause (1) above and (y) in the case of clause (2), (3) or (4) above, use our commercially reasonable efforts to cause the shelf registration statement to be declared effective under the Securities Act on or prior to the 90th day after the date on which the shelf registration statement is required to be filed; and

(C) keep the shelf registration statement effective until the earlier of (x) two years from the issue date of the Initial Notes and (y) the date on which no Initial Notes are Transfer Restricted Notes.

We will, in the event a shelf registration statement is filed, among other things, provide to each holder for whom such shelf registration statement was filed copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of such Initial Notes or the Exchange Notes, as the case may be. A holder selling such Initial Notes or Exchange Notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder (including certain indemnification obligations). No Notes covered by the shelf registration statement may be sold in an underwritten

offering under the shelf registration statement without our prior written consent.

We may require each holder requesting to be named as a selling security holder to furnish to us such information regarding the holder and the distribution of the Initial Notes or Exchange Notes by the holder as we may from time to time reasonably require for the inclusion of the holder in the shelf registration statement, including requiring the holder to properly complete and execute such selling security holder notice and questionnaires, and any amendments or supplements thereto, as we may reasonably deem necessary or appropriate. We may refuse to name any holder as a selling security holder that fails to provide us with such information.

We will pay additional cash interest on Initial Notes (and, where applicable, Exchange Notes) that are Transfer Restricted Notes:

(1) if we fail to file any of the registration statements required by the applicable registration rights agreement on or prior to the date specified for such filing (other than a failure to file the registration statement for the Exchange Offer if we become obligated to file a shelf registration statement);

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(2) if on or prior to the 365th day after the issue date of the Initial Notes, the Exchange Offer has not been consummated and the shelf registration statement has not been declared effective by the SEC;

(3) if the shelf registration statement (if required in lieu of the Exchange Offer) has not been declared effective by the SEC on or prior to the applicable date specified in clause (2) above; or

(4) after the registration statement of which this prospectus forms a part or the shelf registration statement, as the case may be, is declared effective,

(x) such registration statement or related prospectus thereafter ceases to be effective or usable,

(y) the reason such registration statement or related prospectus ceases to be effective or usable is because

(1) any event occurs as a result of which the related prospectus forming part of such registration statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading,

(2) it shall be necessary to amend such registration statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder, or

(3) such registration statement is a shelf registration statement that has expired before a replacement shelf registration statement has become effective, and

(z) such failure to be effective or usable, as the case may be, continues for 30 consecutive days or exists for more than an aggregate of 60 days in any 12-month period,

(each such event referred to in clauses (1) through (4) above is referred to in this prospectus as a registration default), from and including the date on which any such registration default shall occur to but excluding the earlier of (x) the date on which all registration defaults have been cured and (y) the date on which no Initial Notes are Transfer Restricted Notes. A registration default described in clauses (3) and (4) above shall be deemed not to have occurred in certain circumstances, including as a result of material events with respect to us that would need to be described in such shelf registration statement or the related prospectus where we are proceeding promptly and in good faith to amend or supplement such shelf registration statement or prospectus to describe such events and such registration default occurs for a continuous period of no more than 30 days.

The rate of the additional interest will be 0.25% per annum for the first 90-day period immediately following the occurrence of a registration default, and such rate will increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all registration defaults have been cured, up to a maximum additional interest rate of 0.5% per annum. We will pay such additional interest on regular interest payment dates. Such additional interest will be in addition to any other interest payable from time to time with respect to the Notes. The registration rights

agreement provides that additional interest constitutes liquidated damages and is the sole and exclusive remedy of holders for any registration default.

All references in the Indenture, in any context, to any interest or other amount payable on or with respect to the Notes shall be deemed to include any additional interest pursuant to the registration rights agreement.

If we effect the Exchange Offer for the Initial Notes, we will be entitled to close the Exchange Offer 30 days after the commencement thereof provided that we have accepted all Initial Notes validly tendered in accordance with the terms of the Exchange Offer. The Initial Notes will be validly tendered if tendered in accordance with the terms of the Exchange Offer as detailed under Procedures for Tendering Initial Notes.

Each Initial Note (and in the case of clause (ii) below, each Exchange Note) will remain a Transfer Restricted Note until the earliest of (i) the date on which such Transfer Restricted Note has been exchanged by a

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person other than a broker-dealer for a freely transferable Exchange Note in the Exchange Offer, (ii) following the exchange by a broker-dealer in the Exchange Offer of an Initial Note for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of this prospectus, (iii) the date on which such Initial Note has been effectively registered under the Securities Act and disposed of in accordance with the shelf registration statement and (iv) the date on which such Initial Note is disposed of to the public in accordance with Rule 144 under the Securities Act.

Background of the Exchange Offer

We issued $450.0 million aggregate principal amount of the Initial Notes on October 11, 2017 under the Indenture. The Initial Notes were offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act based on the representations and agreements of the qualified institutional buyers and certain non-U.S. persons made in connection with their purchase of the Initial Notes. The terms of the Exchange Notes will be identical in all material respects to the terms of the Initial Notes, except for transfer restrictions and registration rights that will not apply to the Exchange Notes and different administrative terms. Cash interest is payable on the Exchange Notes on January 15 and July 15 of each year. The first interest payment date with respect to the Initial Notes is January 15, 2018. Interest on the Exchange Notes will accrue from the last interest payment date with respect to the Initial Notes and will be paid on the next interest payment date following the issuance of the Exchange Notes. The Exchange Notes will mature on January 15, 2026.

In order to exchange your Initial Notes for the Exchange Notes containing no transfer restrictions in the Exchange Offer, you will be required to make the following representations:

- the Exchange Notes will be acquired in the ordinary course of your business;
- you have no arrangements with any person to participate in the distribution of the Exchange Notes;
- you are not our affiliate as defined in Rule 405 of the Securities Act, or if you are an affiliate of ours, you will comply with the applicable registration and prospectus delivery requirements of the Securities Act;
- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the Exchange Notes; and
- if you are a broker-dealer that will receive the Exchange Notes for your own account in exchange for Initial Notes that were acquired as a result of market-making activities or other trading activities, you will deliver a prospectus, as required by law, in connection with any resale of the Exchange Notes.

Upon the terms and subject to the conditions set forth in this prospectus and in the related letter of transmittal, we will accept for exchange any Initial Notes validly tendered and not validly withdrawn in the Exchange Offer, and the exchange agent will deliver the Exchange Notes promptly after the expiration date of the Exchange Offer. Initial Notes will be validly tendered and not validly withdrawn if they are tendered in accordance with the terms of the

Exchange Offer as detailed under Procedures for Tendering Initial Notes and not withdrawn in accordance with the terms of the Exchange Offer as detailed under Withdrawal of Tenders. We expressly reserve the right to delay acceptance, subject to Rule 14e-1(c) under the Exchange Act, of any of the tendered Initial Notes or terminate the Exchange Offer and not accept for exchange any tendered Initial Notes not already accepted if any condition set forth under Conditions to the Exchange Offer have not been satisfied or waived by us or do not comply, in whole or in part, with the securities laws or changes in any applicable law.

If you tender your Initial Notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the Initial Notes.

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Expiration Date; Extensions; Termination; Amendments

The Exchange Offer will expire at midnight, New York City time, on March 19, 2018, unless we extend it. We expressly reserve the right to extend the Exchange Offer on a daily basis or for such period or periods as we may determine in our sole discretion from time to time by giving oral, confirmed in writing, or written notice to the exchange agent and by making a public announcement by press release to Businesswire prior to 9:00 a.m., New York City time, on the first business day following the scheduled expiration date. During any extension of the Exchange Offer, all Initial Notes previously tendered under the Exchange Offer, not validly withdrawn and not accepted for exchange will remain subject to the Exchange Offer and may be accepted for exchange by us.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, but are not required, to:

waive any condition of the Exchange Offer; and

amend any terms of the Exchange Offer.

Any waiver of any condition of or amendment to the Exchange Offer will apply to all Initial Notes tendered for the Exchange Offer, regardless of when or in what order the Initial Notes were tendered. If we make a material change in the terms of the Exchange Offer or if we waive a material condition of the Exchange Offer, we will disseminate additional exchange offer materials to the holders of the Initial Notes under the Exchange Offer, and we will extend, if necessary, the expiration date of the Exchange Offer such that at least five business days remain in the Exchange Offer following notice of the material change.

We expressly reserve the right, in our sole discretion, to terminate the Exchange Offer if any of the conditions set forth under Conditions to the Exchange Offer exist. Any such termination will be followed promptly by a public announcement. In the event we terminate the Exchange Offer, we will give immediate notice to the exchange agent, and all Initial Notes previously tendered under the Exchange Offer and not accepted for exchange will be returned promptly to the tendering holders.

In the event that the Exchange Offer is withdrawn or otherwise not completed, the Exchange Notes will not be given to holders of Initial Notes who have validly tendered their Initial Notes under the Exchange Offer. We will return any Initial Notes that have been tendered for exchange but that are not exchanged to their holder without cost to the holder, or, in the case of the Initial Notes tendered by book-entry transfer into the exchange agent s account at a book-entry transfer facility under the procedure set forth under Procedures for Tendering Initial Notes Book-Entry Transfer, such Initial Notes will be credited to the account maintained at such book-entry transfer facility from which such Initial Notes were delivered, unless otherwise requested by such holder under Special Delivery Instructions in the letter of transmittal, promptly following the exchange date or the termination of the Exchange Offer.

Resale of the Exchange Notes

Based on interpretations of the SEC set forth in no-action letters issued to third parties, we believe that the Exchange Notes issued in the Exchange Offer in exchange for the Initial Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

you are not an affiliate of ours within the meaning of Rule 405 under the Securities Act;

you are acquiring the Exchange Notes in the ordinary course of business; and

you do not intend to participate in the distribution of the Exchange Notes.

If you tender Initial Notes in the Exchange Offer with the intention of participating in any manner in a distribution of the Exchange Notes:

you cannot rely on those interpretations of the SEC; and

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you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction, and comply with the requirements discussed below.

Unless an exemption from registration is otherwise available, any security holder intending to distribute the Exchange Notes should be covered by an effective registration statement under the Securities Act containing the selling security holder s information required by Item 507 of Regulation S-K. This prospectus may be used for an offer to resell, a resale or other re-transfer of the Exchange Notes only as specifically set forth in the section captioned Plan of Distribution. Only broker-dealers that acquired the Initial Notes as a result of market-making activities or other trading activities may participate in the Exchange Offer. Each broker-dealer that receives the Exchange Notes for its own account in exchange for Initial Notes, where such Initial Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the Exchange Notes. Please read the section captioned Plan of Distribution for more details regarding the transfer of the Exchange Notes.

Acceptance of Initial Notes for Exchange

We will accept for exchange Initial Notes validly tendered pursuant to the Exchange Offer, or defectively tendered, if such defect has been waived by us, after the later of:

the expiration date of the Exchange Offer; and

the satisfaction or waiver of the conditions specified below under Conditions to the Exchange Offer.

Except as specified above, we will not accept Initial Notes for exchange subsequent to the expiration date of the Exchange Offer. Tenders of Initial Notes will be accepted only in minimum denominations of $2,000 and any greater integral multiple of $1,000.

We expressly reserve the right, in our sole discretion, to:

delay acceptance for exchange of Initial Notes tendered under the Exchange Offer, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders promptly after the termination or withdrawal of a tender offer; or

terminate the Exchange Offer and not accept for exchange any Initial Notes, if any of the conditions set forth below under Conditions to the Exchange Offer have not been satisfied or waived by us or in order to comply in whole or in part with the securities laws or changes in any applicable law.

In all cases, the Exchange Notes will be issued only after receipt by the exchange agent prior to the expiration of the Exchange Offer of (i) certificates representing Initial Notes, or confirmation of book-entry transfer, (ii) a letter of transmittal, properly completed and duly executed or a manually signed facsimile thereof, and (iii) any other required documents in accordance with instructions set forth under Procedures for Tendering Initial Notes and in the letter of transmittal provided with this prospectus. For purposes of the Exchange Offer, we will be deemed to have accepted for exchange validly tendered Initial Notes, or defectively tendered Initial Notes with respect to which we have waived such defect, if, as and when we give oral, confirmed in writing, or written notice to the exchange agent. Promptly after the expiration date, we will deposit the Exchange Notes with the exchange agent, who will act as agent

for the tendering holders for the purpose of receiving the Exchange Notes and transmitting them to the holders. The exchange agent will deliver the Exchange Notes to holders of Initial Notes accepted for exchange after the exchange agent receives the Exchange Notes.

If we delay acceptance for exchange of validly tendered Initial Notes or we are unable to accept for exchange validly tendered Initial Notes, then the exchange agent may, nevertheless, on its behalf, retain tendered

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Initial Notes, without prejudice to our rights described in this prospectus under the captions Expiration Date; Extensions; Termination; Amendments, Conditions to the Exchange Offer and Withdrawal of Tenders, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

If any tendered Initial Notes are not accepted for exchange, or if certificates are submitted evidencing more Initial Notes than those that are tendered, certificates evidencing Initial Notes that are not exchanged will be returned, without expense, to the tendering holder, or, in the case of the Initial Notes tendered by book-entry transfer into the exchange agent s account at a book-entry transfer facility under the procedure set forth under Procedures for Tendering Initial Notes Book-Entry Transfer, such Initial Notes will be credited to the account maintained at such book-entry transfer facility from which such Initial Notes were delivered, unless otherwise requested by such holder under Special Delivery Instructions in the letter of transmittal, promptly following the exchange date or the termination of the Exchange Offer.

Tendering holders of Initial Notes exchanged in the Exchange Offer will not be obligated to pay brokerage commissions or transfer taxes with respect to the exchange of their Initial Notes other than as described under the caption Transfer Taxes or as set forth in the letter of transmittal. We will pay all other charges and expenses in connection with the Exchange Offer.

Procedures for Tendering Initial Notes

Any beneficial owner whose Initial Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or held through a book-entry transfer facility and who wishes to tender Initial Notes should contact such registered holder promptly and instruct such registered holder to tender Initial Notes on such beneficial owner s behalf. If you are a beneficial holder and you wish to tender your Initial Notes on your own behalf, you must, prior to delivering the letter of transmittal and your Initial Notes to the exchange agent, either make appropriate arrangements to register ownership of your Initial Notes in your own name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Tender of Initial Notes Held Through The Depository Trust Company

The exchange agent and The Depository Trust Company, or DTC, have confirmed that the Exchange Offer is eligible for the DTC automated tender offer program. Accordingly, DTC participants may electronically transmit their acceptance of the Exchange Offer by causing DTC to transfer Initial Notes to the exchange agent in accordance with DTC s automated tender offer program procedures for transfer. DTC will then send an agent s message to the exchange agent.

The term agent s message means a message transmitted by DTC and received by the exchange agent that forms part of the book-entry confirmation. The agent s message states that DTC has received an express acknowledgment from the participant in DTC tendering Initial Notes that are the subject of that book-entry confirmation, that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant.

Tender of Initial Notes Held in Physical Form

For a holder to validly tender Initial Notes held in physical form:

the exchange agent must receive at its address set forth in this prospectus a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

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the exchange agent must receive certificates for tendered Initial Notes at such address, or such Initial Notes must be transferred pursuant to the procedures for book-entry transfer described below. A confirmation of such book-entry transfer must be received by the exchange agent prior to the expiration date of the Exchange Offer.

Letters of transmittal and Initial Notes should be sent only to the exchange agent, and not to us or to any book-entry transfer facility.

The method of delivery of Initial Notes, letters of transmittal and all other required documents to the exchange agent is at the election and risk of the holder tendering Initial Notes. Delivery of such documents will be deemed made only when actually received by the exchange agent. If such delivery is by mail, we suggest that the holder use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the expiration date of the Exchange Offer to permit delivery to the exchange agent prior to such date. No alternative, conditional or contingent tenders of Initial Notes will be accepted.

Signature Guarantees

A signature on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution. Eligible institutions include banks, brokers, dealers, municipal securities dealers, municipal securities brokers, government securities dealers, government securities brokers, credit unions, national securities exchanges, registered securities associations, clearing agencies and savings associations. The signature need not be guaranteed by an eligible institution if the Initial Notes are tendered:

by a registered holder who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal; or

for the account of an eligible institution.

If the letter of transmittal is signed by a person other than the registered holder of any Initial Notes, the Initial Notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the Initial Notes and an eligible institution must guarantee the signature on the bond power.

If the letter of transmittal or any Initial Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless we waive this requirement, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

Book-Entry Transfer

The exchange agent will seek to establish a new account or utilize an existing account with respect to the Initial Notes at DTC promptly after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility system and whose name appears on a security position listing it as the owner of the Initial Notes may make book-entry delivery of Initial Notes by causing the book-entry transfer facility to transfer such Initial Notes into the exchange agent s account. However, although delivery of Initial Notes may be effected through book-entry transfer into the exchange agent s account at a book-entry transfer facility, a letter of transmittal, properly completed and duly executed or a manually signed facsimile thereof, in accordance with instructions set forth under Procedures for

Tendering Initial Notes and in the letter of transmittal provided with this prospectus, must be received by the exchange agent at its address set forth in this prospectus on or prior to the expiration date of the Exchange Offer. The confirmation of a book-entry transfer of Initial Notes into the exchange agent s account at a book-entry transfer facility is referred to in this prospectus as a book-entry confirmation. Delivery of documents to the book-entry transfer facility in accordance with that book-entry transfer facility s procedures does not constitute delivery to the exchange agent.

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Other Matters

Exchange Notes will be issued in exchange for Initial Notes accepted for exchange only after receipt by the exchange agent prior to expiration of the Exchange Offer of:

- certificates for, or a timely book-entry confirmation with respect to, your Initial Notes;
- a letter of transmittal properly completed and duly executed or facsimile thereof with any required signature guarantees, or, in the case of a book-entry transfer, an agent s message; and
- any other documents required by the letter of transmittal; all the above in accordance with instructions set forth under Procedures for Tendering Initial Notes, and in the letter of transmittal provided with this prospectus.

We will decide all questions as to the form of all documents and the validity, including time of receipt, and acceptance of all tenders of Initial Notes, the determination of which shall be final and binding. Alternative, conditional or contingent tenders of Initial Notes will not be considered valid. We reserve the absolute right to reject any or all tenders of Initial Notes that are not in proper form or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular Initial Notes.

Unless waived by us, any defect or irregularity in connection with tenders of Initial Notes must be cured within the time that we determine. Tenders of Initial Notes will not be deemed to have been made until all defects and irregularities have been waived by us or cured. Neither us, the exchange agent, nor any other person will be under any duty to give notice of any defects or irregularities in tenders of Initial Notes, or will incur any liability to holders of Initial Notes for failure to give any such notice.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any Exchange Notes that you receive will be acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person or entity to participate in the distribution of the Exchange Notes;
- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the Exchange Notes;
- if you are a broker-dealer that will receive the Exchange Notes for your own account in exchange for Initial Notes that were acquired as a result of market-making activities or other trading activities, you will deliver a prospectus, as required by law, in connection with any resale of the Exchange Notes; and

you are not an affiliate of ours, as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Each broker-dealer that receives the Exchange Notes for its own account in exchange for the Initial Notes, where such Initial Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See Plan of Distribution.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender of Initial Notes at any time prior to the expiration date of the Exchange Offer.

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For a withdrawal to be effective:

- the exchange agent must receive a written or facsimile transmission of your notice of withdrawal at the address set forth below under Exchange Agent ; or
- you must comply with the appropriate procedures of DTC s automated tender offer program.

Any notice of withdrawal must:

- specify the name of the person who tendered the Initial Notes to be withdrawn; and
- identify the Initial Notes to be withdrawn, including the principal amount of the Initial Notes to be withdrawn.

If certificates for the Initial Notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of those certificates, the withdrawing holder must also submit:

- the serial numbers of the particular certificates to be withdrawn; and
- a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless the withdrawing holder is an eligible institution.

If the Initial Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Initial Notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal, and our determination shall be final and binding on all parties. We will deem any Initial Notes so withdrawn not to have been validly tendered for exchange for purposes of the Exchange Offer.

We will return any Initial Notes that have been tendered for exchange but that are not exchanged to their holder without cost to the holder. In the case of Initial Notes tendered by book-entry transfer into the exchange agent s account at DTC, according to the procedures described above, those Initial Notes will be credited to an account maintained with DTC for the Initial Notes. This return or crediting will take place promptly after withdrawal, rejection of tender or termination of the Exchange Offer. You may re-tender properly withdrawn Initial Notes by following one of the procedures described under Procedures for Tendering Initial Notes at any time on or prior to the expiration date of the Exchange Offer.

Conditions to the Exchange Offer

Despite any other term of the Exchange Offer, we will not be required to accept for exchange any Initial Notes and we may terminate or amend the Exchange Offer as provided in this prospectus before the expiration of the Exchange

Offer if in our reasonable judgment:

the Exchange Notes to be received will not be tradable by the holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of substantially all of the states of the United States;

the Exchange Offer, or the making of any exchange by a holder of Initial Notes, would violate applicable law or any applicable interpretation of the staff of the SEC;

any action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer that would reasonably be expected to impair our ability to proceed with the Exchange Offer; or

all governmental approvals necessary for the consummation of the Exchange Offer have not been obtained. Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the Exchange Offer.

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We will not be obligated to accept for exchange the Initial Notes of any holder that has not made to us:

- the representations described under the captions Procedures for Tendering Initial Notes and Plan of Distribution; and
- any other representations that may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to us an appropriate form for registration of the Exchange Notes under the Securities Act.

We expressly reserve the right, at any time or at various times, to extend the period of time during which the Exchange Offer is open. Consequently, we may delay acceptance of any Initial Notes, subject to Rule 14e-1(c) under the Exchange Act, by giving oral or written notice of an extension to their holders. During an extension, all Initial Notes previously tendered under the extended Exchange Offer will remain subject to such Exchange Offer, and we may accept them for exchange. We will return any Initial Notes that we do not accept for exchange without expense to their tendering holder promptly after the expiration or termination of the Exchange Offer.

We expressly reserve the right to amend or terminate the Exchange Offer and to reject for exchange any Initial Notes not previously accepted for exchange, upon the occurrence of any of the conditions of the Exchange Offer specified above. By public announcement we will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the Initial Notes in accordance with the requirements of Rule 14e-1(d) of the Exchange Act. If we amend the Exchange Offer in a manner that we consider material, we will disclose the amendment in the manner required by applicable law to the holders of the Initial Notes under the Exchange Offer. In the event of a material change in the Exchange Offer, including the waiver of a material condition, we will extend, if necessary, the expiration date of the Exchange Offer such that at least five business days remain in the Exchange Offer following notice of the material change.

We may assert these conditions regardless of the circumstances that may give rise to them or waive them in whole or in part at any time or at various times in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of that right. Each of these rights will be deemed an ongoing right that we may assert at any time or at various times.

We will not accept for exchange any Initial Notes tendered, and will not issue the Exchange Notes in exchange for any Initial Notes, if at any time a stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the transfer and exchange of Initial Notes pursuant to the Exchange Offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the record holder or any other person, if:

- delivery of the Exchange Notes, or certificates for Initial Notes for principal amounts not exchanged, are to be made to any person other than the record holder of the Initial Notes tendered;

tendered certificates for Initial Notes are recorded in the name of any person other than the person signing any letter of transmittal; or

a transfer tax is imposed for any reason other than the transfer and exchange of Initial Notes under the Exchange Offer.

If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder.

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Consequences of Failure to Exchange

If you do not exchange your Initial Notes for the Exchange Notes in the Exchange Offer, you will remain subject to restrictions on transfer of the Initial Notes:

- as set forth in the legend printed on the Initial Notes as a consequence of the issuance of the Initial Notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and
- as otherwise set forth in the prospectus distributed in connection with the private offering of each of the Initial Notes.

In general, you may not offer or sell the Initial Notes unless they are registered under the Securities Act or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the Initial Notes under the Securities Act. Based on interpretations of the SEC, you may offer for resale, resell or otherwise transfer the Exchange Notes issued in the Exchange Offer without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- you are not an affiliate within the meaning of Rule 405 under the Securities Act;
- you acquired the Exchange Notes in the ordinary course of your business; and
- you have no arrangement or understanding with respect to the distribution of the Exchange Notes to be acquired in the Exchange Offer.

If you tender Initial Notes in the Exchange Offer for the purpose of participating in a distribution of the Exchange Notes:

- you cannot rely on the applicable interpretations of the SEC; and
- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act.

Exchange Agent

Wells Fargo Bank, National Association has been appointed as exchange agent for the Exchange Offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus, the letter of transmittal or any other documents to the exchange agent. You should send certificates for Initial Notes, letters of transmittal and

any other required documents to the exchange agent addressed as follows:

Wells Fargo Bank, N.A.

Attn: Corporate Trust Operations

600 S. 4th Street

MAC: N9300-070

Minneapolis, Minnesota 55415

Holders can inquire about the exchange of the Notes by calling Wells Fargo Bank, National Association at 1-800-344-5128. Please refer to the CUSIP number when making inquiries.

Delivery of a letter of transmittal to an address other than as shown above does not constitute valid delivery of such letter of transmittal.

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Other

Participation in the Exchange Offer is voluntary, and you should carefully consider whether to exchange the Initial Notes for the Exchange Notes. We urge you to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered Initial Notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise, on terms that may differ from the terms of the Exchange Offer. We have no present plans to acquire any Initial Notes that are not tendered in the Exchange Offer or to file a registration statement to permit resales of any untendered Initial Notes.

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CAPITALIZATION

The following table sets forth our unaudited cash and cash equivalents and capitalization as of September 30, 2017:

- on an actual basis;
- on an as adjusted basis after giving effect to the issuance of the Initial Notes on October 11, 2017 and the application of our net proceeds thereof to (i) repay all of our then outstanding borrowings under our secured revolving credit facility and (ii) for general corporate purposes, including the funding of our 2017 capital development plans, which portion of the net proceeds is reflected in an as adjusted column under cash and cash equivalents.

You should read this table in conjunction with the information contained in our audited consolidated financial statements and notes thereto, our unaudited consolidated financial statements and notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2016 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2017, June 30, 2017 and September 30, 2017, respectively, and the information contained in the subsequent filings we make with the SEC, which are incorporated by reference herein.

	As of September 30, 2017	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 125,271	$ 205,521
Long-term debt (including current maturities):		
Secured revolving credit facility(1)	$ 365,000	$
2023 Notes	350,000	350,000
2024 Notes	650,000	650,000
2025 Notes	600,000	600,000
Initial Notes		450,000
Net unamortized debt issuance costs	(30,111)	(34,861)
Construction loan	23,817	23,817
Total	1,958,706	2,038,956
Total stockholders equity	2,942,661	2,942,661
Total capitalization	$ 4,901,367	$ 4,981,617

(1) As of the date of this prospectus, no borrowings and $241.0 million of letters of credit were outstanding under our secured revolving credit facility. Availability under our secured revolving credit facility is currently subject to a

borrowing base of $1.2 billion, and we set our elected commitment at 1.0 billion under such facility.

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DESCRIPTION OF OTHER INDEBTEDNESS

Credit Facility

We have entered into a senior secured revolving credit facility, as amended, with The Bank of Nova Scotia, as the lead arranger and administrative agent and certain lenders from time to time party thereto. Our secured revolving credit agreement provides for a maximum facility amount of $1.5 billion and matures on December 13, 2021. As of September 30, 2017, we had a borrowing base of $1.0 billion and $365.0 million in borrowings outstanding, and total funds available for borrowing under our revolving credit facility, after giving effect to an aggregate of $237.5 million of outstanding letters of credit, were $397.5 million. On October 11, 2017, we repaid all of our then outstanding borrowings under the secured revolving credit facility with a portion of the net proceeds from the offering of the Initial Notes.

On November 21, 2017, our secured revolving credit facility was further amended to, among other things, (i) decrease the applicable rate for all loans by 0.5% and (ii) add a provision that allows Gulfport to elect a commitment amount that is less than the borrowing base. In connection with such amendment, our borrowing base was set at $1.2 billion, and we set the elected commitment amount at $1.0 billion. As of November 21, 2017, approximately $240.0 million of letters of credit were outstanding under our secured revolving credit facility and there were no outstanding borrowings under such facility.

Our secured revolving credit facility is secured by substantially all of our proved oil and gas assets. Our wholly-owned subsidiaries, including Grizzly Holdings, guarantee our obligations under our secured revolving credit facility and their guarantees are secured by substantially all of their assets.

Advances under our secured revolving credit facility may be in the form of either base rate loans or eurodollar loans. The interest rate for base rate loans is equal to (1) the applicable rate, which ranges from 0.50% to 1.50%, plus (2) the highest of: (a) the federal funds rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by agent as its prime rate, and (c) the eurodollar rate for an interest period of one month plus 1.00%. The interest rate for eurodollar loans is equal to (1) the applicable rate, which ranges from 1.50% to 2.50%, plus (2) the London interbank offered rate that appears on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate for deposits in U.S. dollars, or, if such rate is not available, the offered rate on such other page or other service that displays an average London interbank offered rate as administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate) for deposits in U.S. dollars, or, if such rate is not available, the average quotations for three major New York money center banks of whom the agent shall inquire as the London Interbank Offered Rate for deposits in U.S. dollars. As of September 30, 2017, amounts borrowed under our secured revolving credit facility bore interest at the Eurodollar rate of 3.74%.

Our secured revolving credit facility contains customary negative covenants including, but not limited to, restrictions on our and our subsidiaries ability to: incur indebtedness; grant liens; pay dividends and make other restricted payments; make investments; make fundamental changes; enter into swap contracts; dispose of assets; change the nature of their business; and enter into transactions with their affiliates. The negative covenants are subject to certain exceptions as specified in our revolving credit facility. Our secured revolving credit facility also contains certain affirmative covenants, including, but not limited to the following financial covenants: (1) the ratio of net funded debt to EBITDAX (net income, excluding (i) any non-cash revenue or expense associated with swap contracts resulting from ASC 815 and (ii) any cash or non-cash revenue or expense attributable to minority investment plus without duplication and, in the case of expenses, to the extent deducted from revenues in determining net income, the sum of (a) the aggregate amount of consolidated interest expense for such period, (b) the aggregate amount of income, franchise, capital or similar tax expense (other than ad valorem taxes) for such period, (c) all amounts attributable to

depletion, depreciation, amortization and asset or goodwill impairment or writedown for such period, (d) all other non-cash charges, (e) exploration costs deducted in determining net income under successful efforts accounting, (f) actual cash distributions received from

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minority investments, (g) to the extent actually reimbursed by insurance, expenses with respect to liability on casualty events or business interruption, and (h) all reasonable transaction expenses related to dispositions and acquisitions of assets, investments and debt and equity offerings (provided that expenses related to any unsuccessful dispositions will be limited to $3.0 million in the aggregate) for a twelve-month period may not be greater than 4.00 to 1.00; and (2) the ratio of EBITDAX to interest expense for a twelve-month period may not be less than 3.00 to 1.00. We were in compliance with these financial covenants at September 30, 2017.

Senior Notes

On April 21, 2015, we issued the 2023 Notes in an aggregate principal amount of $350.0 million. The 2023 Notes were issued under an indenture, dated as of April 21, 2015, among us, our subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee, to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. Interest on the 2023 Notes accrues at a rate of 6.625% per annum on the outstanding principal amount thereof, payable semi-annually on May 1 and November 1 of each year. The 2023 Notes will mature on May 1, 2023.

On October 14, 2016, we issued the 2024 Notes in aggregate principal amount of $650.0 million. The 2024 Notes were issued under an indenture, dated as of October 14, 2016, among us, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee, to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. Interest on the 2024 Notes accrues at a rate of 6.000% per annum on the outstanding principal amount thereof from October 14, 2016, payable semi-annually on April 15 and October 15 of each year, commencing on April 15, 2017. The 2024 Notes will mature on October 15, 2024. We received approximately $638.9 million in net proceeds from the offering of the 2024 Notes, which was used, together with cash on hand, to purchase our then outstanding 7.750% Senior Notes due 2020 in a concurrent cash tender offer, to pay fees and expenses thereof, and to redeem any of such notes that remained outstanding after the completion of the tender offer.

On December 21, 2016, we issued the 2025 Notes in aggregate principal amount of $600.0 million. The 2025 Notes were issued under an indenture, dated as of December 21, 2016, among us, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee, to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. Interest on the 2025 Notes accrues at a rate of 6.375% per annum on the outstanding principal amount thereof from December 21, 2016, payable semi-annually on May 15 and November 15 of each year, commencing on May 15, 2017. The 2025 Notes will mature on May 15, 2025. We received approximately $584.7 million in net proceeds from the offering of the 2025 Notes, which we used, together with the net proceeds from our December 2016 offering of common stock and cash on hand, to fund the cash portion of the purchase price for our acquisition of certain assets of Vitruvian II Woodford, LLC, an unrelated third-party seller.

On October 11, 2017, we issued $450.0 million in aggregate principal amount of the Initial Notes. The Initial Notes were issued under the Indenture to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to certain non-U.S. persons in accordance with Regulation S under the Securities Act. Under the Indenture, interest on the Initial Notes accrues at a rate of 6.375% per annum on the outstanding principal amount thereof from October 11, 2017, payable semi-annually on January 15 and July 15 of each year. The first interest payment date with respect to the Initial Notes is January 15, 2018. The Initial Notes will mature on January 15, 2026. We received approximately $444.5 million in net proceeds from the offering of the Initial Notes, which we used to repay all of our outstanding borrowings under our secured revolving credit facility on October 11, 2017 and the balance was used for general corporate purposes, which included the funding of a portion of our 2017 capital development plans.

All of our existing and future restricted subsidiaries that guarantee our secured revolving credit facility or certain other debt guarantee the 2023 Notes, 2024 Notes, 2025 Notes and the Initial Notes, provided, however, that the 2023 Notes, 2024 Notes, 2025 Notes and the Initial Notes are not guaranteed by Grizzly Holdings, which

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is an unrestricted subsidiary under the Indenture and the indentures governing the 2023 Notes, the 2024 Notes and the 2025 Notes, and will not be guaranteed by any of our future unrestricted subsidiaries. The guarantees rank equally in right of payment with all of the senior indebtedness of the subsidiary guarantors and senior in the right of payment to any future subordinated indebtedness of the subsidiary guarantors. The 2023 Notes, 2024 Notes, 2025 Notes and the Initial Notes and the guarantees are effectively subordinated to all of our and the subsidiary guarantors secured indebtedness (including all borrowings and other obligations under our secured revolving credit facility) to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to all indebtedness and other liabilities of any of our subsidiaries that do not guarantee the 2023 Notes, 2024 Notes, 2025 Notes or the Initial Notes.

If we experience a change of control (as defined in the indentures relating to the 2023 Notes, 2024 Notes and 2025 Notes and the Indenture), we will be required to make an offer to repurchase the 2023 Notes, 2024 Notes, 2025 Notes and the Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. If we sell certain assets and fail to use the proceeds in a manner specified in our senior note indentures, we will be required to use the remaining proceeds to make an offer to repurchase the 2023 Notes, 2024 Notes, 2025 Notes and the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. The indentures relating to the 2023 Notes, 2024 Notes and 2025 Notes and the Indenture contain certain covenants that, subject to certain exceptions and qualifications, among other things, limit our ability and the ability of our restricted subsidiaries to incur or guarantee additional indebtedness, make certain investments, declare or pay dividends or make distributions on capital stock, prepay subordinated indebtedness, sell assets including capital stock of restricted subsidiaries, agree to payment restrictions affecting our restricted subsidiaries, consolidate, merge, sell or otherwise dispose of all or substantially all of our assets, enter into transactions with affiliates, incur liens, engage in business other than the oil and gas business and designate certain of our subsidiaries as unrestricted subsidiaries. Under the indentures relating to the 2023 Notes, 2024 Notes and 2025 Notes and the Indenture, certain of these covenants are subject to termination upon the occurrence of certain events, including in the event the 2023 Notes, 2024 Notes, 2025 Notes and the Notes are rated as investment grade by Standard & Poor s and Moody s.

In connection with the offering of the Initial Notes, we and our subsidiary guarantors entered into a registration rights agreement with the representatives of the initial purchasers pursuant to which we agreed to file a registration statement, of which this prospectus is a part, with respect to the Exchange Offer contemplated by this prospectus.

Construction Loan

On June 4, 2015, we entered into a construction loan agreement, or the construction loan, with InterBank for the construction of our new corporate headquarters in Oklahoma City, which was substantially completed in December 2016. The construction loan allows for maximum principal borrowings of $24.5 million and required us to fund 30% of the cost of the construction before any funds could be drawn, which occurred in January 2016. Interest accrues daily on the outstanding principal balance at a fixed rate of 4.50% per annum and was payable on the last day of the month through May 31, 2017. Monthly interest and principal payments are due beginning June 30, 2017, with the final payment due June 4, 2025. As of September 30, 2017, the total borrowings under the construction loan were approximately $23.8 million.

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DESCRIPTION OF THE EXCHANGE NOTES

Gulfport Energy Corporation issued the Initial Notes, and will issue the Exchange Notes, under an Indenture dated October 11, 2017 (as such may be amended or supplemented from time to time, the Indenture) among itself, the Subsidiary Guarantors and Wells Fargo Bank, N.A., as Trustee. The terms of the Exchange Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. The form of Exchange Notes will be identical in all material respects to that of the Initial Notes, except that the Exchange Notes have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer and the registration rights will generally not apply to the Exchange Notes. The Exchange Notes will not represent new Indebtedness of the Company.

Certain terms used in this description are defined under the subheading Certain Definitions. In this description, the words Company, we and our refer only to Gulfport Energy Corporation and not to any of its subsidiaries individually, as appropriate in the context.

The following description is only a summary of the material provisions of the Indenture. We urge you to read the Indenture because it, not this description, defines your rights as holders of the Exchange Notes. You may request a copy of the Indenture at our address set forth under the heading Where You Can Find More Information.

The registered holder of an Exchange Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture, and all references to Holders or Noteholders in this description are to registered holders of the Notes.

Brief Description of the Exchange Notes and the Subsidiary Guarantees

The Exchange Notes, like the Initial Notes:

- will be unsecured senior obligations of the Company;
- will rank senior in right of payment to any future Subordinated Obligations of the Company; and
- will be guaranteed on an unsecured senior basis by each Subsidiary Guarantor.

The Subsidiary Guarantees

Initially, the Exchange Notes, like the Initial Notes, will be guaranteed by all of the Company s Subsidiaries that are Restricted Subsidiaries under the Indenture.

Each Guaranty of the Exchange Notes:

- will be unsecured senior obligations of the Subsidiary Guarantor; and

will rank pari passu in right of payment with the Senior Indebtedness of such Subsidiary Guarantor;

will rank senior in right of payment to any future Subordinated Obligations of such Subsidiary Guarantor.

The Notes and the Subsidiary Guarantees will be effectively subordinated to all secured Indebtedness of the Company and the Subsidiary Guarantors, including all borrowings and other obligations under the Existing Credit Agreement, to the extent of the value of the collateral securing such Indebtedness, and structurally subordinated to all obligations, including trade payables, of any Subsidiary that is not a Subsidiary Guarantor, including any Unrestricted Subsidiary. As of September 30, 2017, our non-guarantor Subsidiaries had $58.7 million of total assets and $0.1 million of total liabilities (excluding Grizzly Holdings guarantee of the Existing Credit Agreement) and generated none of our consolidated revenues.

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As of the date of this prospectus, all of our Subsidiaries are Restricted Subsidiaries under the Indenture, other than Grizzly Holdings, which was designated as an Unrestricted Subsidiary and will not guarantee the Notes. Under the circumstances described below in a definition of an Unrestricted Subsidiary, the Company will be permitted to designate additional Subsidiaries as Unrestricted Subsidiaries. The Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture. The Unrestricted Subsidiaries will not guarantee the Notes, including the Exchange Notes.

Principal, Maturity and Interest

The Company will issue the Exchange Notes with a maximum aggregate principal amount of $450.0 million. The Company will issue the Exchange Notes in minimum denominations of $2,000 and any greater integral multiple of $1,000. The Exchange Notes will mature on January 15, 2026. Subject to our compliance with the covenant described under the subheading Certain Covenants Limitation on Indebtedness, we are permitted to issue more Notes from time to time under the Indenture (the Additional Notes). The Initial Notes, the Exchange Notes and any Additional Notes subsequently issued will be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this Description of the Exchange Notes, references to the Notes include the Initial Notes, the Exchange Notes and any Additional Notes actually issued.

Interest on the Notes will accrue at the rate of 6.375% per annum and will be payable semiannually in arrears on January 15 and July 15, commencing on January 15, 2018 with respect to the Initial Notes and on July 15, 2018 with respect to the Exchange Notes. We will make each interest payment to the holders of record of the Notes on the immediately preceding January 1 and July 1. We will pay interest on overdue principal at 1% per annum in excess of the above rate and will pay interest on overdue installments of interest at such higher rate to the extent lawful.

Interest on the Notes will accrue from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Optional Redemption

Except as set forth below and as described under the penultimate paragraph of Change of Control, we will not be entitled to redeem the Notes at our option.

On and after January 15, 2021, we will be entitled, at our option, to redeem all or a portion of the Notes upon not less than 30 nor more than 60 days notice, at the redemption prices (expressed in percentages of principal amount on the redemption date), plus accrued interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on January 15 of the years set forth below:

Period	Redemption Price
2021	104.781%
2022	103.188%
2023	101.594%
2024 and thereafter	100.000%

In addition, any time prior to January 15, 2021, we will be entitled, at our option on one or more occasions, to redeem Notes (which includes Additional Notes, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) issued prior to such date at a redemption price (expressed as a percentage of principal amount) of 106.375%, plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive

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interest due on the relevant interest payment date), with an amount equal to the net cash proceeds from one or more Qualifying Equity Offerings; provided, however, that

(1) at least 65% of such aggregate principal amount of Notes (which includes Additional Notes, if any) remains outstanding immediately after the occurrence of each such redemption (with Notes held, directly or indirectly, by the Company or its Affiliates being deemed to be not outstanding for purposes of such calculation); and

(2) each such redemption occurs within 90 days after the date of the related Qualifying Equity Offering.

Prior to January 15, 2021, we will be entitled, at our option, to redeem all or a portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date). Notice of such redemption must be sent to each Holder s registered address, not less than 30 nor more than 60 days prior to the redemption date.

Applicable Premium means with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such Note on January 15, 2021 (such redemption price being described in the second paragraph in this Optional Redemption section exclusive of any accrued interest) plus (ii) all required remaining scheduled interest payments due on such Note through January 15, 2021 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such redemption date.

Adjusted Treasury Rate means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after January 15, 2021, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date, in each case, plus 0.50%.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes from the redemption date to January 15, 2021, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to January 15, 2021.

Comparable Treasury Price means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate definition is applicable, the average of three, or such lesser number as is obtained by the Quotation Agent, Reference Treasury Dealer Quotations for such redemption date.

Quotation Agent means the Reference Treasury Dealer appointed by the Company.

Reference Treasury Dealer means J.P. Morgan Securities LLC and its successors or affiliates and assigns and two other nationally recognized investment banking firms selected by the Company that are primary U.S. Government securities dealers.

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Reference Treasury Dealer Quotations means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

Selection and Notice of Redemption

If we are redeeming less than all the Notes at any time, the Trustee will select Notes on a pro rata basis to the extent practicable and in accordance with the procedures of DTC.

We will redeem Notes of $2,000 or less in whole and not in part. We will cause notices of redemption to be sent at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to the redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Any inadvertent defect in the notice of redemption, including an inadvertent failure to give notice, to any Holder selected for redemption will not impair or affect the validity of the redemption of any other Note redeemed in accordance with provisions of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount thereof to be redeemed. We will issue a new Note in a principal amount equal to the unredeemed portion of the original Note in the name of the holder upon cancelation of the original Note. Notes called for redemption become due and payable on the date fixed for redemption; provided that notice of any redemption in connection with any Qualifying Equity Offering or other securities offering or any other financing, or in connection with a transaction (or a series of related transactions) that constitute a Change of Control, may, at our discretion, be given prior to the completion thereof and be subject to one or more conditions precedent, including completion of the related Qualifying Equity Offering, securities offering, financing or Change of Control. If a redemption is subject to satisfaction of one or more conditions precedent, the redemption date may be delayed up to 10 Business Days; provided that if such conditions precedent are not satisfied within 10 Business Days of the proposed redemption date, such redemption shall not occur and the notice thereof shall be rescinded. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase Notes as described under the captions Change of Control and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock. We may at any time and from time to time purchase Notes in the open market or otherwise.

Guarantees

Each of our existing direct and indirect subsidiaries, other than Grizzly Holdings, Inc., are the Subsidiary Guarantors as of the Issue Date. The Subsidiary Guarantors will jointly and severally guarantee, on a senior unsecured basis, our obligations under the Notes. The aggregate assets and revenues as of and for the year ended December 31, 2016 attributable to all subsidiaries of the Company that are not providing guarantees constituted approximately 1% of the Company s consolidated assets and none of our consolidated revenues as of and for the period ended such date.

Each Subsidiary Guarantor that makes a payment under its Subsidiary Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor s pro rata portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment determined in accordance with GAAP.

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Each Subsidiary Guarantee contains a provision that purports to limit the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee as necessary to prevent that Subsidiary Guarantee from constituting a fraudulent conveyance under applicable law. See Risk Factors Risks Related to the Exchange Notes, the Exchange Offer and Our Other Indebtedness The guarantees provided by the guarantors may not be enforceable and, under specific circumstances, federal and state courts may void the guarantees and require holders to return payments received from the guarantors. If a Subsidiary Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor s liability on its Subsidiary Guarantee could be reduced to zero. See Risk Factors Risks Related to the Exchange Notes, the Exchange Offer and Our Other Indebtedness.

Pursuant to the Indenture, a Subsidiary Guarantor may consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all its assets to any other Person to the extent described below under Certain Covenants Merger and Consolidation ; provided, however, that if such other Person is not the Company or a Subsidiary Guarantor, such Subsidiary Guarantor s obligations under its Subsidiary Guarantee must be expressly assumed by such other Person, except that such assumption will not be required if such other Person is not a Subsidiary of the Company and if in connection therewith the Company provides an Officers Certificate to the Trustee to the effect that the Company will comply with its obligations, if any, under the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock in respect of such transaction. Upon any transaction described in the proviso in the immediately preceding sentence, the obligor on the related Subsidiary Guarantee will be automatically released from its obligations thereunder.

The Subsidiary Guarantee of a Subsidiary Guarantor also will be automatically released:

(1) upon the disposition of all or a portion of the Capital Stock of such Subsidiary Guarantor such that such Subsidiary Guarantor ceases to be a Subsidiary, if in connection therewith the Company provides an Officers Certificate to the Trustee to the effect that the Company will comply with its obligations, if any, under the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock in respect of such disposition;

(2) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary;

(3) at such time as such Subsidiary Guarantor does not have any Guarantees outstanding that would require such Subsidiary Guarantor to enter into a Guaranty Agreement pursuant to the covenant described under Certain Covenants Future Subsidiary Guarantors ; or

(4) if we exercise our legal defeasance option or our covenant defeasance option as described under Defeasance or if our obligations under the Indenture are discharged in accordance with the terms of the Indenture.

Upon delivery by the Company to the Trustee of an Officers Certificate and an Opinion of Counsel to the effect that any of the conditions described above has occurred, the Trustee shall execute any supplemental indenture or other documents reasonably requested by the Company in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee and the Indenture.

Ranking

Senior Indebtedness versus Notes

The indebtedness evidenced by the Notes and the Subsidiary Guarantees is unsecured and ranks pari passu in right of payment with the Senior Indebtedness of the Company and the Subsidiary Guarantors, as the case may be.

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As of September 30, 2017 on an as adjusted basis after giving effect to the issuance of the Notes and the repayment of all borrowings outstanding under the Existing Credit Agreement with a portion of the net proceeds thereof:

(1) the Company s Senior Indebtedness (net of associated accrued discount and premium) would have been approximately $2.3 billion, including $350.0 million attributable to the outstanding 2023 Notes, $650.0 million attributable to the outstanding 2024 Notes, $600.0 million attributable to the outstanding 2025 Notes, $450.0 million attributable to the Initial Notes, $237.5 million of outstanding letters of credit under the Existing Credit Agreement and $23.8 million outstanding under the Company s construction loan for its new corporate headquarters;

(2) the Senior Indebtedness of the Subsidiary Guarantors would have been approximately $2.3 billion, including $350.0 million attributable to their respective guaranties of the outstanding 2023 Notes, $650.0 million attributable to their respective guaranties of the 2024 Notes, $600.0 million attributable to their respective guaranties of the 2025 Notes, $450.0 million attributable to their respective guaranties of the Initial Notes and $237.5 million attributable to their respective guaranties of outstanding letters of credit under the Existing Credit Agreement; and

(3) the Company would have been permitted to borrow an additional $762.5 million of secured Senior Indebtedness under the Existing Credit Agreement.

On November 21, 2017, the borrowing base under the Existing Credit Agreement was increased from $1.0 billion to $1.2 billion, and the Company elected a commitment amount of $1.0 billion under the Existing Credit Agreement.

The Notes and the Subsidiary Guarantees will be unsecured obligations of the Company and the Subsidiary Guarantors, respectively. Secured debt and other secured obligations of the Company and of the Subsidiary Guarantors (including obligations with respect to the Existing Credit Agreement) will be effectively senior to the Notes and the Subsidiary Guarantees to the extent of the value of the assets securing such debt or other obligations.

Liabilities of Subsidiaries versus Notes

A portion of our operations is conducted through our subsidiaries. As described above under Guarantees, Subsidiary Guarantees may be released under certain circumstances. In addition, Grizzly Holdings, Inc. will be an Unrestricted Subsidiary and therefore will not be a Subsidiary Guarantor. Further, our future subsidiaries may not be required to Guarantee the Notes. Claims of creditors of such non-guarantor subsidiaries, including trade creditors and creditors holding indebtedness or Guarantees issued by such non-guarantor subsidiaries, and claims of preferred stockholders of such non-guarantor subsidiaries generally will have priority with respect to the assets and earnings of such non-guarantor subsidiaries over the claims of our creditors, including holders of the Notes. Accordingly, the Notes will be effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such non-guarantor subsidiaries.

At September 30, 2017, the total liabilities of our subsidiaries (other than the Subsidiary Guarantors as of the Issue Date, but including Grizzly Holdings, Inc.) were approximately $0.1 million (other than Grizzly Holdings guarantee of the Existing Credit Agreement), including trade payables. Although the Indenture limits the incurrence of Indebtedness and preferred stock by certain of our subsidiaries, such limitation is subject to a number of significant qualifications and does not apply at all to Unrestricted Subsidiaries. Moreover, the Indenture does not impose any

limitation on the incurrence by such subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See Certain Covenants Limitation on Indebtedness.

Change of Control

Upon the occurrence of any of the following events (each, a Change of Control), each Holder shall have the right to require the Company to repurchase such Holder s Notes at a purchase price in cash equal to 101% of

the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date):

(1) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company; provided, however, that, for the purposes of this clause (1), a person shall be deemed (x) to have beneficial ownership of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time and (y) to beneficially own any Voting Stock of a Person (the specified person) held by any other Person (the parent entity), if such person is the beneficial owner (as defined above in this clause (1)), directly or indirectly, of more than 50% of the Voting Stock of such parent entity;

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the merger or consolidation of the Company with or into another Person or the merger of another Person with or into the Company, or the sale of all or substantially all the assets of the Company and its Restricted Subsidiaries (determined on a consolidated basis) to another Person other than a transaction following which (A) in the case of a merger or consolidation transaction, one or more holders of securities that represented 100% of the Voting Stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the Voting Stock of the surviving Person in such merger or consolidation transaction immediately after such transaction and (B) in the case of a sale of assets transaction, each transferee is or becomes an obligor in respect of the Notes and a Subsidiary of the transferor of such assets;

but, notwithstanding the foregoing, Permitted Grizzly Dispositions shall not constitute or give rise to a Change of Control.

Within 30 days following any Change of Control, we will send a notice to each Holder with a copy to the Trustee (the Change of Control Offer) stating:

(1) that a Change of Control has occurred and that such Holder has the right to require us to purchase such Holder s Notes at a purchase price (the Change of Control Purchase Price) in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

(3) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is sent); and

(4) the instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow in order to have its Notes purchased.

We will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or if notice of redemption has been given pursuant to Optional Redemption above.

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Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and shall be deemed not to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Company and the initial purchasers. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to Incur additional Indebtedness, including secured Indebtedness, are contained in the covenants described under Certain Covenants Limitation on Indebtedness and Certain Covenants Limitation on Liens. Such restrictions are subject to numerous exceptions and can be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding. Accordingly, the covenants set forth in the Indenture may not afford holders of the Notes protection in the event of a highly leveraged transaction.

In the event a Change of Control occurs at a time when we are contractually prohibited from purchasing Notes, we may seek the consent of our lenders to the purchase of Notes or may attempt to refinance the borrowings that contain such prohibition. If we do not obtain such a consent or repay such borrowings, we will remain prohibited from purchasing Notes. In such case, our failure to offer to purchase Notes would constitute a Default under the Indenture, which would, in turn, constitute a default under the Existing Credit Agreement.

The Existing Credit Agreement does, and any future indebtedness that we may incur may, contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repayment or repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the Holders of their right to require us to repurchase their Notes could cause a default under such other indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to the holders of Notes following the occurrence of a Change of Control may be limited by our then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of Change of Control includes the phrase all or substantially all the assets. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the assets of the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Company to make an offer to repurchase the Notes as described above.

In the event that Holders of not less than 90% in aggregate principal amount of the outstanding Notes accept a Change of Control Offer and the Company (or any third party making such Change of Control Offer in lieu of the Company as described above) purchases all of the Notes tendered by such Holders, the Company shall have the right, upon not less

than 30 nor more than 60 days prior notice, given not more than 30 days following the

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purchase pursuant to the Change of Control Offer described above, to redeem all of the Notes that remain outstanding following such purchase at a redemption price equal to the Change of Control Purchase Price, including interest to the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The provisions under the Indenture relative to our obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes then outstanding.

Certain Covenants

Changes in Covenants when the Notes are Rated Investment Grade

On the day (such date, the Termination Date) after the Issue Date on which:

(a) the Notes have an Investment Grade Rating from both Standard & Poor s and Moody s;

(b) no Default has occurred and is continuing under the Indenture; and

(c) the Company has delivered to the Trustee the Officers Certificate described below,

the covenants listed below will be permanently terminated and the Company and its Subsidiaries, as applicable, will not be subject to the provisions of the Indenture summarized under the headings below:

Limitation on Indebtedness,

Limitation on Restricted Payments,

Limitation on Restrictions on Distributions from Restricted Subsidiaries,

Limitation on Sales of Assets and Subsidiary Stock,

Limitation on Affiliate Transactions,

Limitation on Line of Business, and

clause (3) of the paragraph (a) of Merger and Consolidation.

On the Termination Date, the Company will provide an Officers Certificate to the Trustee regarding such occurrence. The Trustee shall have no obligation to independently determine or verify if the Termination Date has occurred or notify the Holders of the Termination Date. The Trustee may provide a copy of such Officers Certificate to any Holder of the Notes upon written request. There can be no assurance that the Notes will ever achieve an Investment Grade Rating.

Limitation on Indebtedness

(a) The Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Company and the Subsidiary Guarantors will be entitled to Incur Indebtedness if, on the date of such Incurrence and after giving effect thereto on a pro forma basis, the Consolidated Coverage Ratio exceeds 2.00 to 1.00.

(b) Notwithstanding the foregoing paragraph (a), the Company and the Restricted Subsidiaries will be entitled to Incur any or all of the following Indebtedness:

(1) Indebtedness Incurred by the Company and the Subsidiary Guarantors pursuant to Credit Agreements; provided, however, that, after giving effect to any such Incurrence, the aggregate principal amount of all Indebtedness Incurred under this clause (1) and then outstanding does not exceed the greater of (i) $1,100.0 million and (ii) 35.0% of Adjusted Consolidated Net Tangible Assets determined as of the date of such Incurrence;

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(2) Indebtedness owed to and held by the Company or a Restricted Subsidiary; provided, however, that (A) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon, (B) if the Company is the obligor on such Indebtedness, unless such Indebtedness is owing to a Subsidiary Guarantor, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes and (C) if a Subsidiary Guarantor is the obligor on such Indebtedness, unless such Indebtedness is owing to the Company or another Subsidiary Guarantor, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations of such Subsidiary Guarantor with respect to its Subsidiary Guarantee;

(3) the Notes (including the Exchange Notes issued in exchange therefor but excluding any Additional Notes) and all Subsidiary Guarantees thereof;

(4) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clause (1), (2) or (3) above);

(5) Indebtedness of a Restricted Subsidiary outstanding on or prior to the date on which it became a Restricted Subsidiary or secured by a Lien on an asset acquired by the Company or by a Restricted Subsidiary (other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such entity became a Restricted Subsidiary or such asset was so acquired); provided, however, that on the date such entity became a Restricted Subsidiary or such asset was so acquired and after giving pro forma effect thereto, the Company would have been entitled to Incur at least $1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) of this covenant or pursuant to clause (3), (4) or (5) above or this clause (6); provided, however, that to the extent such Refinancing Indebtedness directly or indirectly Refinances Indebtedness of a Restricted Subsidiary Incurred pursuant to clause (5), such Refinancing Indebtedness shall be Incurred only by such Restricted Subsidiary or, so long as such Restricted Subsidiary has no liability with respect to such Refinancing Indebtedness, by the Company or by a Subsidiary Guarantor;

(7) Hedging Obligations consisting of Interest Rate Agreements related to Indebtedness outstanding on the Issue Date or permitted to be Incurred by the Company and its Restricted Subsidiaries pursuant to the Indenture;

(8) Hedging Obligations consisting of Oil and Natural Gas Hedging Contracts and Currency Agreements, in each case entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business of the Company and its Subsidiaries;

(9)

obligations in respect of workers compensation claims, health, disability or other benefits, unemployment or other insurance or self-insurance obligations and other social security or similar legislation, old age pension or public liability obligations, statutory obligations, government contracts, trade contracts, regulatory obligations, leases, utility contracts and similar obligations, plugging and abandonment, appeal, performance, tender, bid and surety bonds, completion guarantees and other reimbursement obligations provided by, or for the account of, the Company or any Restricted Subsidiary in the ordinary course of business (in each case other than for an obligation for money borrowed), including any Guarantees, contingent reimbursement obligations or other contingent obligations with respect to letters of credit or bank guarantees functioning as or supporting or issued to assure payment or performance of any of the foregoing bonds or obligations;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

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(11) Indebtedness consisting of any Guarantee by the Company or a Subsidiary Guarantor of Indebtedness outstanding on the Issue Date or permitted by the Indenture to be incurred by the Company or a Subsidiary Guarantor; provided, however, that if the Indebtedness being guaranteed is subordinated to the Notes or a Subsidiary Guarantee, then the Guarantee thereof shall be subordinated to at least the same extent as the Indebtedness being Guaranteed;

(12) Purchase Money Indebtedness of the Company or a Restricted Subsidiary Incurred to finance the purchase, lease or improvement of property (real or personal), and any Refinancing Indebtedness Incurred to Refinance such Indebtedness, in an aggregate principal amount which, when added together with the amount of Indebtedness Incurred pursuant to this clause (12) and then outstanding, does not exceed the greater of (i) $100.0 million and (ii) 4.0% of Adjusted Consolidated Net Tangible Assets determined as of the date of such Incurrence;

(13) Indebtedness in respect of the financing of insurance premiums with the providers of such insurance or their Affiliates in the ordinary course of business;

(14) Indebtedness arising from any agreement providing for indemnities, contribution, Guarantees, purchase price adjustments, holdbacks, earn-outs, deferred compensation, contingency payment obligations based on the performance of the acquired or disposed assets or similar obligations (in each case, other than Guarantees of Indebtedness) incurred or assumed by any Person in connection with the acquisition or disposition of assets;

(15) in-kind obligations relating to oil and natural gas balancing obligations arising in the ordinary course of business; and

(16) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount which, when taken together with all other Indebtedness outstanding on the date of such Incurrence under this clause (16), does not exceed the greater of (i) $100.0 million and (ii) 4.0% of Adjusted Consolidated Net Tangible Assets determined as of the date of such Incurrence.

(c) Notwithstanding the foregoing, neither the Company nor any Subsidiary Guarantor will Incur any Indebtedness pursuant to the foregoing paragraph (b) if the proceeds thereof are used, directly or indirectly, to Refinance any Subordinated Obligations of the Company or any Subsidiary Guarantor unless such Indebtedness shall be subordinated to the Notes or the applicable Subsidiary Guarantee to at least the same extent as such Subordinated Obligations.

(d) For purposes of determining compliance with this covenant, in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described in this covenant, the Company, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and will only be required to include the amount and type of such Indebtedness in one of the above clauses and the Company will be entitled to divide and classify and reclassify from time to time an item of Indebtedness in more than one of the types of Indebtedness described in this covenant.

(e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the making of Investments or any other covenant, limitation or ratio in the Indenture, the U.S.

dollar-equivalent of the principal amount of Indebtedness, Investment or other amount denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, such Investment was made, or such other amount was expended or incurred. Notwithstanding any other provision of the Indenture, the maximum amount of Indebtedness that the Company or any Restricted Subsidiary may Incur pursuant to the Indenture shall be deemed not to be exceeded and all other covenants, limitations and ratios in the Indenture be deemed not to be breached or exceeded, solely as a result of fluctuations in exchange rates or currency values.

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Limitation on Restricted Payments

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default shall have occurred and be continuing (or would result therefrom);

(2) the Company is not entitled to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under Certain Covenants Limitation on Indebtedness ; or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since October 17, 2012 (all payment calculations being made as if the provisions of this covenant had been in effect as of October 17, 2012 and at all times thereafter) would exceed the sum of (without duplication):

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from October 1, 2012 to the end of the most recent fiscal quarter ending at least 45 days prior to the date of such Restricted Payment (or, in case such Consolidated Net Income shall be a deficit, minus 100% of such deficit); plus

(B) 100% of the aggregate Net Cash Proceeds or the Fair Market Value of property other than cash (including Capital Stock of Persons engaged in the Oil and Gas Business or assets used in the Oil and Gas Business) received by the Company from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to October 17, 2012 (other than an issuance or sale to a Subsidiary of the Company and other than an issuance or sale to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) and 100% of any capital contribution received by the Company from its shareholders subsequent to October 17, 2012; plus

(C) the amount by which Indebtedness of the Company or a Restricted Subsidiary is reduced on the Company s consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to October 17, 2012 of any Indebtedness of the Company or a Restricted Subsidiary convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); provided, however, that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding any Net Cash Proceeds from sales to a Subsidiary of the Company or to an employee stock ownership plan or a trust established by the Company or any of its Subsidiaries for the benefit of their employees); plus

(D) an amount equal to the sum of (x) the net reduction subsequent to October 17, 2012 in the Investments (other than Permitted Investments) made by the Company or any Restricted Subsidiary in any Person resulting from repurchases, repayments, releases or redemptions of such Investments by such Person, proceeds realized on the sale of such Investment and proceeds representing the return of capital (excluding dividends and distributions), in each case received by the Company or any Restricted Subsidiary, and (y) if such Person is an Unrestricted Subsidiary, the portion (proportionate to the Company s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time subsequent to October 17, 2012 such Unrestricted Subsidiary is designated as, merged or consolidated into, or transfers or otherwise disposes of all or substantially all of its properties or assets to or is liquidated into, a Restricted Subsidiary; provided, however, that the foregoing sum shall not exceed, in the case of any such Person, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) subsequent to October 17, 2012 by the Company or any Restricted Subsidiary in such Person.

(b) The preceding provisions will not prohibit:

(1) any Restricted Payment made out of the Net Cash Proceeds of the substantially concurrent issuance or sale of, or made by conversion into or exchange for, Capital Stock of the Company (other than

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Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Company from one or more of its shareholders; provided, however, that (A) such Restricted Payment shall be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations of the Company or of any Subsidiary Guarantor made by exchange for, or out of the proceeds of the substantially concurrent Incurrence of, Indebtedness of such Person which is permitted to be Incurred pursuant to the covenant described under Certain Covenants Limitation on Indebtedness ; provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Disqualified Stock of the Company or a Subsidiary Guarantor made by conversion into or exchange for, or out of the proceeds of the substantially concurrent issuance or sale (other than to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) of, Disqualified Stock of the Company which is permitted to be issued pursuant to the covenant described under Certain Covenants Limitation on Indebtedness, provided, however, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(4) dividends or distributions paid or consummations of redemptions within 60 days after the date of declaration thereof if at such date of declaration such dividend, distribution or redemption would have complied with this covenant; provided, however, that such dividend, distribution or redemption shall be included in the calculation of the amount of Restricted Payments;

(5) the purchase, repurchase, redemption or other acquisition or retirement of shares of Capital Stock of the Company or any of its Subsidiaries from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell or are granted the option to purchase or sell, shares of such Capital Stock; provided, however, that the aggregate amount of such Restricted Payments (excluding amounts representing cancelation of Indebtedness or funded by key man life insurance policies) shall not exceed $15.0 million in any calendar year, with unused amounts in any calendar year being permitted to be carried forward to succeeding calendar years subject to a maximum of $30.0 million in any calendar year; provided further, however, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(6)

declarations and payments of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary issued pursuant to the covenant described under Certain Covenants Limitation on Indebtedness ; provided, however, that such dividends shall be excluded in the calculation of the amount of Restricted Payments;

(7) repurchases, redemptions and other acquisitions and retirements of Capital Stock deemed to occur upon exercise, exchange or vesting of any equity compensation (including, without limitation, stock options, restricted stock, phantom stock, warrants, incentives, rights to acquire Capital Stock or other derivative securities) if such Capital Stock represents a portion of the exercise or other price or cost thereof, and repurchases, redemptions and other acquisitions and retirements of Capital Stock made in lieu of

withholding for, or to satisfy taxes in connection with any exercise, exchange or vesting of stock options, restricted stock, phantom stock, warrants, incentives, rights to acquire Capital Stock or other derivative securities; provided, however, that such Restricted Payments shall be excluded in the calculation of the amount of Restricted Payments;

(8) cash payments in lieu of the issuance of fractional shares in connection with any transaction otherwise permitted by this covenant; provided, however, that any such cash payment shall not be for the purpose of evading the limitation of the covenant described under this subheading (as determined in good faith by the Board of Directors); provided further, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(9) in the event of a Change of Control or an Asset Disposition, and if no Default shall have occurred and be continuing, and within 60 days after the completion of the offer to repurchase the Notes under the covenants described under Change of Control or Certain Covenants Limitation on Sales of Assets and Subsidiary Stock (including the purchase of all Notes tendered), the payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Obligations or Disqualified Stock of the Company or any Subsidiary Guarantor, in each case, at a purchase price not greater than 101% of the principal amount of such Subordinated Obligations or Disqualified Stock, plus any accrued and unpaid interest or dividends thereon; provided, however, that prior to such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company (or a third party to the extent permitted by the Indenture) has made a Change of Control Offer or an Asset Disposition Offer with respect to the Notes as a result of such Change of Control or Asset Disposition and has repurchased all Notes validly tendered and not withdrawn in connection with such Change of Control Offer or Asset Disposition Offer; provided further, however, that such payments, purchases, repurchases, redemptions, defeasances or other acquisitions or retirements shall be included in the calculation of the amount of Restricted Payments;

(10) payments of intercompany subordinated Indebtedness, the Incurrence of which was permitted under clause (2) of paragraph (b) of the covenant described under Certain Covenants Limitation on Indebtedness ; provided, however, that such payments shall be excluded in the calculation of the amount of Restricted Payments;

(11) payments to dissenting stockholders of the Company not to exceed $5.0 million in the aggregate (A) pursuant to applicable law or (B) in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets in connection with a transaction that is not prohibited by the Indenture; provided, however, that such payments shall be included in the calculation of the amount of Restricted Payments;

(12) the declaration and payment of dividends or other distributions of (A) shares of Capital Stock of, or Indebtedness owed to the Company or a Restricted Subsidiary by, Unrestricted Subsidiaries, or (B) assets received by the Company or a Restricted Subsidiary from Unrestricted Subsidiaries as dividends or other distributions by such Unrestricted Subsidiaries; provided, however, that such declaration and payment of dividends or other distributions shall be excluded in the calculation of the amount of Restricted Payments; provided further, however, that this clause (12) shall not apply to dividends or distributions of Capital Stock

of, Indebtedness owed by, or assets received from, Grizzly Holdings; or

(13) other Restricted Payments in an aggregate amount which, when taken together with all other Restricted Payments made pursuant to this clause (13) at any one time outstanding, does not exceed $25.0 million; provided, however, that such amounts shall be included in the calculation of the amount of Restricted Payments.

(c) If any Person in which an Investment is made, which Investment constitutes a Restricted Payment or a Permitted Investment under clause (22) of such definition when made, thereafter becomes a Restricted Subsidiary, all such Investments previously made in such Person shall no longer be counted as Restricted

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Payments or Permitted Investments under such clause for purposes of calculating the aggregate amount of Restricted Payments made or Permitted Investments made pursuant to such clause.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to the Company or a Restricted Subsidiary or pay any Indebtedness owed to the Company, (b) make any loans or advances to the Company or (c) transfer any of its property or assets to the Company, except:

(1) with respect to clauses (a), (b) and (c),

(A) any encumbrance or restriction pursuant to an agreement in effect at or entered into on the Issue Date;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary or any property or assets thereof pursuant to an agreement of such Restricted Subsidiary (including the Capital Stock thereof) outstanding on the date on which such Restricted Subsidiary was acquired by the Company or otherwise became a Restricted Subsidiary (other than agreements relating to Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary was acquired by the Company or otherwise became a Restricted Subsidiary);

(C) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness Incurred pursuant to an agreement referred to in clause (A) or (B) of clause (1) of this covenant or this clause (C) or contained in any amendment to or renewal or replacement of an agreement referred to in clause (A) or (B) of clause (1) of this covenant or this clause (C); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such Refinancing agreement or amendment, renewal or replacement are not materially less favorable, taken as a whole, to the Noteholders than the encumbrances and restrictions with respect to such Restricted Subsidiary contained in such predecessor agreement;

(D) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(E) any encumbrance or restriction on the disposition or distribution of assets or property, including cash or other deposits, under agreements entered into in the ordinary course of the Oil and Gas Business of the types described in clause (2) of the definition of Permitted Business Investments;

(F) any encumbrance or restriction contained in the terms of any agreement or instrument governing any Indebtedness for money borrowed or Hedging Obligation if (x) either (i) the encumbrance or restriction applies only in the event of and during the continuance of a payment default or a default with respect to a financial covenant contained in such agreement or instrument or (ii) the Company determines at the time any such Indebtedness or Hedging Obligation is Incurred (and at the time of any modification of the terms of any such encumbrance or restriction) that any such encumbrance or restriction will not materially affect the Company s ability to make principal or interest payments on the Notes and (y) the encumbrance or restriction is not materially more disadvantageous to the Holders than is customary in comparable financings or agreements (as determined by the Company in good faith);

(G) customary supermajority voting provisions and other customary provisions with respect to the disposition or distribution of assets, each contained in corporate charters, bylaws, stockholders agreements, limited liability company agreements, partnership agreements, joint venture

agreements and other similar agreements entered into in the ordinary course of business of the Company and its Restricted Subsidiaries;

(H) any restrictions on cash, cash equivalents or other deposits or net worth requirements imposed by customers under contracts entered into in the ordinary course of business;

(I) provisions contained in any license, permit or other accreditation with a regulatory authority or directly or indirectly required by any applicable laws, statutes, rules, regulations, orders, requirements, guidelines, interpretations, directives and requests (whether or not having the force of law) from and of, and plans, memoranda and agreements with, any regulatory authority;

(J) provisions in agreements or instruments that prohibit the payment or making of dividends or other distributions other than on a pro rata basis;

(K) any encumbrance or restriction contained in the terms of Preferred Stock of a Restricted Subsidiary that does not expressly restrict the ability of a Restricted Subsidiary to pay dividends or make any other distributions on its Capital Stock (other than requirements to pay dividends or liquidation preferences on such Preferred Stock prior to paying any dividends or making any other distributions on such other Capital Stock); and

(L) customary subordination provisions governing Indebtedness permitted pursuant to the covenant described under Certain Covenants Limitation on Indebtedness ; and

(2) with respect to clause (c) only,

(A) any encumbrance or restriction consisting of customary nonassignment provisions in Hydrocarbon and Mineral Properties purchase and sale or exchange agreements or similar operational agreements, agreements of the types described in the defined term Permitted Business Investments and leases governing leasehold interests and licenses to the extent such provisions restrict the transfer of the lease or license or the property leased or licensed thereunder;

(B) any encumbrance or restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of any Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition to the extent such encumbrance or restriction restricts the transfer of the property subject to such agreement;

(C) any encumbrance or restriction contained in security agreements or mortgages securing Indebtedness or other obligations of a Restricted Subsidiary and related documents to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages;

(D) any encumbrance or restriction contained in any agreement or instrument assumed by the Company or any of its Restricted Subsidiaries or for which any of them becomes liable as in effect at the time of such transaction (except to the extent such agreement or instrument was entered into in connection with or in contemplation of such transaction), which encumbrance or restriction is not applicable to any assets other than assets acquired in connection with such transaction and all improvements, additions and accessions thereto and products and proceeds thereof;

(E) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or the ability of the Company or any Restricted Subsidiary to realize the value of, property or assets of the Company or any Restricted Subsidiary in any manner material to the Company and its Restricted Subsidiaries taken as a whole;

(F) any encumbrance or restriction contained in agreements governing or relating to reserves that are the subject of Production Payments and Reserve Sales;

(G) customary restrictions set forth in lock up agreements entered into in connection with securities offerings; and

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(H) any encumbrance or restriction with respect to the Capital Stock of Grizzly Holdings.

In each case set forth above, notwithstanding any stated limitation on the assets or property that may be subject to such encumbrance or restriction, an encumbrance or restriction on a specified asset or property or group or type of assets or property may also apply to all improvements, repairs, additions, attachments and accessions thereto, assets and property affixed or appurtenant thereto, construction thereon, parts, replacements and substitutions therefor, and all products and proceeds thereof, including dividends, distributions, interest and increases in respect thereof.

Limitation on Sales of Assets and Subsidiary Stock

(a) The Company will not, and will not permit any Restricted Subsidiary or, so long as it is an Unrestricted Subsidiary, Grizzly Holdings, to, directly or indirectly, consummate any Asset Disposition unless:

(1) the Company or such Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value, including as to the value of all non-cash consideration (as determined in good faith by the Board of Directors, an Officer or an officer of such Subsidiary with responsibility for such transaction, such determination to be made as of the date of contractually agreeing to such Asset Disposition, which determination shall be conclusive evidence of compliance with this provision) of the shares or assets subject to such Asset Disposition;

(2) at least 75% of the consideration thereof received by the Company or such Subsidiary is in the form of cash or cash equivalents, Hydrocarbon and Mineral Properties, capital assets to be used by the Company or such Subsidiary (or any Restricted Subsidiary) in the Oil and Gas Business, Capital Stock of a Person primarily engaged in a Related Business and, in the case of an Asset Disposition by, or of the Capital Stock of, Grizzly Holdings, other securities or Indebtedness that are by their terms payable within two years of the date of such Asset Disposition in cash or other assets described in this clause (a)(2); and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or such Subsidiary, as the case may be)

(A) to the extent the Company so elects (or is required by the terms of any Indebtedness), to prepay, repay, purchase, repurchase, redeem, defease or otherwise acquire or retire for value Senior Indebtedness of the Company or any Subsidiary Guarantor or Indebtedness or Preferred Stock of such Subsidiary or of any Restricted Subsidiary that is not a Subsidiary Guarantor (in each case other than Indebtedness owed to the Company or an Affiliate of the Company) within one year (or in the case of an Asset Disposition by, or of the Capital Stock of, Grizzly Holdings, two years) from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(B) to the extent the Company so elects, to acquire Additional Assets or make capital expenditures in the Oil and Gas Business within one year (or in the case of an Asset Disposition by, or of the Capital Stock of, Grizzly Holdings, two years) from the later of the date of such Asset Disposition or the receipt of such Net Available Cash; and

(C) to the extent of the balance of the amount of Net Available Cash after application in accordance with clauses (A) and (B), or, if the Company so elects, at any earlier time, to make an offer to the holders of the Notes (and to holders of other Senior Indebtedness of the Company or a Subsidiary Guarantor designated by the Company) to purchase Notes (and such other Senior Indebtedness) pursuant to and subject to the conditions contained in the Indenture;

provided, however, that in connection with any prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness pursuant to clause (A) or (C) above (other than Indebtedness outstanding pursuant to clause (b)(1) of the covenant described under Certain Covenants Limitation on Indebtedness), the Company or such Subsidiary shall permanently retire such Indebtedness and shall cause the related loan commitment (if

any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or otherwise retired.

Notwithstanding the foregoing provisions of this covenant, the Company and such Subsidiaries will not be required to apply any amount of Net Available Cash in accordance with this covenant except to the extent that the aggregate amount of Net Available Cash from all Asset Dispositions which is not applied in accordance with this covenant exceeds $25.0 million. Pending application of any amount of Net Available Cash pursuant to this covenant, such amount may be invested in any manner not prohibited by the Indenture, including to temporarily reduce revolving credit indebtedness.

For the purposes of paragraph (a)(2) of this covenant, the following are deemed to be cash or cash equivalents:

(i) the release of, pursuant to a novation or other agreement, or the discharge of, the Company or such Subsidiary from all liability on Indebtedness in connection with such Asset Disposition;

(ii) with respect to any Asset Disposition of Hydrocarbon and Mineral Properties, any agreement by the transferee (or an Affiliate thereof) to pay all or a portion of the Company s or a Restricted Subsidiary s share of any costs or expenses related to the exploration, development, completion or production of Hydrocarbon and Mineral Properties and activities related thereto; and

(iii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are, within 90 days after the Asset Disposition, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

The requirement of clause (a)(3)(B) above shall be deemed to be satisfied if an agreement (including a lease, whether a capital lease or an operating lease) committing to make the acquisitions or expenditures referred to therein is entered into by the Company or such Subsidiary (or any Restricted Subsidiary) within the time period specified in such clause and the amount of such Net Available Cash is subsequently applied in accordance with such agreement within six months following such agreement.

Notwithstanding the foregoing, in the event that a Subsidiary that is not a Wholly Owned Subsidiary effects an Asset Disposition and dividends or distributes to all of its stockholders (including the Company or a Restricted Subsidiary) on a *pro rata* basis any Net Available Cash from such Asset Disposition, the Company or such Restricted Subsidiary need only apply an amount equal to its pro rata share of such Net Available Cash in accordance with clause (a)(3) above.

(b) In the event of an Asset Disposition that requires the purchase of Notes (and other Senior Indebtedness of the Company or a Subsidiary Guarantor) pursuant to clause (a)(3)(C) above, the Company will make such offer to purchase Notes on or before the 366th day (or in the case of an Asset Disposition by, or of the Capital Stock of, Grizzly Holdings, the 731st day) after the later of the date of such Asset Disposition or the receipt of such Net Available Cash and will purchase Notes tendered pursuant to an offer (an Asset Disposition Offer) by the Company for the Notes (and such other Senior Indebtedness) at a purchase price of 100% of their principal amount (or, in the event such other Senior Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof) without premium, plus accrued but unpaid interest, subject to the rights of Holders of record on the relevant record date to receive interest due on the relevant interest payment date (or, in respect of such other Senior

Indebtedness, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. If the aggregate purchase price of the securities tendered exceeds the Net Available Cash allotted to their purchase, the Company will select the securities to be purchased on a pro rata basis but in round denominations, which in the case of the Notes will be denominations of $2,000 principal amount or any greater multiple of $1,000. The Company shall not be required to make such an offer to purchase Notes (and other Senior Indebtedness) pursuant to this covenant if the amount of Net Available Cash available therefor is less than

$25.0 million (which lesser amount shall be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Upon completion of such an offer to purchase, Net Available Cash will be deemed to be reduced by the aggregate amount of such offer.

(c) The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will be deemed not to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

Notwithstanding anything to the contrary in this covenant, all references herein to Net Available Cash shall be deemed to mean cash in an amount equal to the amount of Net Available Cash but not necessarily the actual cash received from the relevant Asset Disposition. The Company and its Subsidiaries shall have no obligation to segregate, trace or otherwise identify Net Available Cash (other than the amount thereof), it being agreed that cash is fungible and that the Company s obligations under this covenant may be satisfied by the application of funds from other sources.

The provisions under the Indenture relative to the obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes then outstanding.

Limitation on Affiliate Transactions

(a) The Company will not, and will not permit any Restricted Subsidiary to, enter into any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with (which term, for purposes of this covenant, shall include for the benefit of where appropriate in the context) any Affiliate of the Company involving aggregate consideration in excess of $5.0 million (an Affiliate Transaction) unless:

(1) the terms of the Affiliate Transaction, taken as a whole, are no less favorable to the Company or such Restricted Subsidiary than those that could reasonably be expected to be obtained at the time of the Affiliate Transaction in arm s-length dealings with a Person who is not an Affiliate;

(2) if such Affiliate Transaction involves an amount in excess of $20.0 million, the terms of the Affiliate Transaction are set forth in writing and an officer of the Company disinterested with respect to such Affiliate Transaction shall have determined in good faith that the criteria set forth in clause (1) are satisfied and shall have approved the relevant Affiliate Transaction as evidenced by an Officers Certificate delivered to the Trustee stating that such Affiliate Transaction complies with the Indenture; and

(3) if such Affiliate Transaction involves an amount in excess of $50.0 million, the terms of the Affiliate Transaction are set forth in writing and a majority of the members of the Board of Directors of the Company disinterested with respect to such Affiliate Transaction shall have determined in good faith that the criteria set forth in clause (1) are satisfied and shall have approved the relevant Affiliate Transaction, all as evidenced by a resolution of the Board of Directors.

(b) The provisions of the preceding paragraph (a) will not prohibit:

(1) any Investment or other Restricted Payment (or any other payments excluded from such definitions or their component definitions), in each case not prohibited to be made pursuant to the covenant described under Certain Covenants Limitation on Restricted Payments ;

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(2) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment and consulting arrangements, stock options and stock ownership plans or other benefit plans approved by the Board of Directors;

(3) loans or advances to officers, directors and employees in the ordinary course of business of the Company or its Restricted Subsidiaries, but in any event not to exceed $2.5 million in the aggregate outstanding at any one time;

(4) reasonable fees, compensation and other benefits paid to, severance arrangements with, and indemnity and similar arrangements provided on behalf of, officers, directors, employees and consultants of the Company or any Restricted Subsidiary of the Company as determined in good faith by the Company s Board of Directors or senior management;

(5) any transaction with the Company, a Restricted Subsidiary or joint venture or other Person (other than an Unrestricted Subsidiary) that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns, directly or indirectly, an equity interest in or otherwise controls such Restricted Subsidiary, joint venture or other Person; provided that no Affiliate of the Company, other than the Company or a Restricted Subsidiary, shall have a beneficial interest or otherwise participate in such Restricted Subsidiary, joint venture or other Person other than through such Affiliate s ownership of the Company;

(6) the issuance or sale of any Capital Stock (other than Disqualified Stock) of the Company and the granting of customary registration rights in connection therewith;

(7) any transaction with Affiliates pursuant to or contemplated by any agreement that is described in the Offering Memorandum or that is described in a filing with the SEC that is incorporated by reference in the Offering Memorandum and in each case any amendments, renewals or extensions of any such agreement (so long as such amendments, renewals or extensions are not materially less favorable to the Company or the Restricted Subsidiaries, taken as a whole, than the agreement so amended, renewed or extended) and all transactions pursuant thereto or contemplated thereby;

(8) transactions with customers, clients, vendors, suppliers or other purchasers or sellers of goods or services, in each case, in their capacities as such and in the ordinary course of business (including pursuant to joint venture agreements);

(9) any transaction on arm s-length terms with any non-Affiliate that becomes an Affiliate as a result of such transaction;

(10) Permitted Grizzly Dispositions;

(11) transactions between the Company or any of its Restricted Subsidiaries and any Person that would not otherwise constitute an Affiliate Transaction except for the fact that a director or manager of such Person is also a director or manager of the Company or a Restricted Subsidiary if such director or manager abstains from voting as a director or manager of the Company or such Restricted Subsidiary, as applicable, on such transaction;

(12) pledges by the Company or any Restricted Subsidiary of (or any guarantee by the Company or any Restricted Subsidiary limited in recourse solely to) Capital Stock in Unrestricted Subsidiaries for the benefit of lenders or other creditors of the Unrestricted Subsidiaries; and

(13) agreements of the types described in the defined term Permitted Business Investments, contracts for exploring for, drilling, developing, producing, processing, gathering, transporting, marketing or storing Hydrocarbons and Minerals or activities or services reasonably related or ancillary thereto, and other operational contracts, that are entered into in the ordinary course of business on terms substantially similar to those contained in similar contracts entered into by the Company or any of its Restricted Subsidiaries with unrelated third parties, or if neither the Company nor any Restricted Subsidiary has entered into a similar contract with a third party, then on terms no less favorable than those available

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from third parties on an arm s length basis, in each case as determined in good faith by the Company, and all transactions pursuant to or contemplated by such agreements and contracts.

Limitation on Line of Business

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Related Business, except to the extent that such business would not be material to the Company and its Restricted Subsidiaries, taken as a whole.

Limitation on Liens

The Company will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, Incur or permit to exist any Lien (the Initial Lien) of any nature whatsoever on any of its properties (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, securing any Indebtedness, other than Permitted Liens, without effectively providing that the Notes or such Subsidiary Guarantor s Subsidiary Guarantee, as applicable, shall be secured equally and ratably with (or, at the Company s election, prior to) the Indebtedness so secured for so long as such Indebtedness is so secured.

Any such Lien thereby created securing the Notes or any Subsidiary Guarantee pursuant to the preceding sentence will be automatically and unconditionally released and discharged upon (i) the release and discharge of each Initial Lien to which it relates, (ii) in the case of such Lien securing any such Subsidiary Guarantee, the termination and discharge of such Subsidiary Guarantee in accordance with the Indenture or (iii) any sale, exchange or transfer to any Person not an Affiliate of the Company of the property or assets secured by such Initial Lien.

Merger and Consolidation

(a) The Company will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of related transactions, directly or indirectly, all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the Successor Company) shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and the Successor Company (if not the Company) shall expressly assume, by an indenture supplemental thereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and the Indenture;

(2) immediately after giving pro forma effect to such transaction (and treating any Indebtedness which becomes an obligation of the Company or a Subsidiary as a result of such transaction as having been Incurred by the Company or such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing;

(3) immediately after giving pro forma effect to such transaction, (x) the Successor Company would be able to Incur an additional $1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under Certain Covenants Limitation on Indebtedness or (y) the Consolidated Coverage Ratio of the Company or the Successor Company will be equal to or greater than the Consolidated Coverage Ratio of the Company immediately prior to such transaction;

(4) the Company shall have delivered to the Trustee an Officers Certificate and an Opinion of Counsel, together stating that such consolidation, merger, conveyance, transfer or lease and such supplemental indenture (if any) comply with the Indenture; and

(5) the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders will not recognize income, gain or loss for Federal income tax purposes as a result of such transaction and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred;

provided, however, that clause (3) will not be applicable to (A) the Company or a Restricted Subsidiary consolidating with, merging into, conveying, transferring or leasing all or part of its assets to the Company or a Subsidiary Guarantor or (B) the Company merging with an Affiliate of the Company solely for the purpose and with the sole effect of reincorporating the Company in another jurisdiction.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer or other disposition of all or substantially all of the properties and assets of one or more Restricted Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Restricted Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the assets of the Company; provided, however, that this covenant will not be applicable to Permitted Grizzly Dispositions.

The Successor Company (if not the Company) will be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Notes.

For all purposes of the Indenture, Subsidiaries of any Successor Company will, upon any transaction subject to this covenant, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to the Indenture, and all Indebtedness and Liens of the Successor Company and its Subsidiaries that were not Indebtedness or Liens on property or assets, as the case may be, of the Company and its Subsidiaries immediately prior to such transaction shall be deemed to have been Incurred upon such transaction.

(b) The Company will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of related transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person (if not such Subsidiary) shall be a Person organized and existing under the laws of the jurisdiction under which such Subsidiary was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person (if not the Company or a Subsidiary Guarantor) shall expressly assume, by a Guaranty Agreement, in a form reasonably satisfactory to the Trustee, all the obligations of such Subsidiary, if any, under its Subsidiary Guarantee; provided, however, that this clause (1) shall not apply if such Person is not a Subsidiary of the Company if in connection therewith the Company provides an Officers Certificate to the Trustee to the effect that the Company will comply with its obligations, if any, under the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock in respect of such transaction;

(2) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of such Subsidiary as a result of such transaction as having been issued by such Subsidiary at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company delivers to the Trustee an Officers Certificate and an Opinion of Counsel, together stating that such consolidation, merger or transfer and such Guaranty Agreement, if any, complies with the Indenture.

Future Subsidiary Guarantors

The Company will cause each Restricted Subsidiary that enters into a Guarantee of any Indebtedness of the Company or any other Restricted Subsidiary (other than a Foreign Subsidiary that Guarantees only Indebtedness Incurred by a Foreign Subsidiary) to, in each case, within 30 days thereafter, execute and deliver to the Trustee a Guaranty Agreement pursuant to which such Restricted Subsidiary will Guarantee payment of the Notes on the same terms and conditions as those set forth in the Indenture and applicable to the other Subsidiary Guarantors.

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SEC Reports

Whether or not the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company will file with or furnish to the SEC, as applicable, subject to the next sentence, and provide the Trustee and Holders with, such annual and other reports as are specified in Sections 13 and 15(d) of the Exchange Act and applicable to a U.S. corporation subject to such Sections (but without exhibits in the case of reports provided to Holders), such reports to be so filed and provided at the times specified for the filings of such reports under such Sections (after giving effect to all applicable extensions and cure periods) and containing all the information, audit reports and exhibits required for such reports. If, at any time, the Company is not subject to the periodic reporting requirements of the Exchange Act for any reason, the Company will nevertheless continue filing the reports specified in the preceding sentence with the SEC within such time periods unless the SEC will not accept such a filing. The Company agrees that it will not take any action for the purpose of causing the SEC not to accept such filings. If, notwithstanding the foregoing, the SEC will not accept such filings for any reason, the Company will post the reports specified in the preceding sentence on its website within the time periods (after giving effect to all applicable extensions and cure periods) that would apply if the Company were required to file those reports with the SEC.

Notwithstanding anything to the contrary contained in the immediately preceding paragraph, if the Company is not required to file reports with the SEC pursuant to Section 13 or 15(d) of the Exchange Act, (i.e., is a voluntary filer), the reports described in the preceding paragraph shall not be required to contain certain disclosures relating to the Company s controls and procedures, corporate governance, code of ethics, director independence, market for the Company s equity securities and executive compensation.

At any time that any of the Company s Subsidiaries are Unrestricted Subsidiaries, then the quarterly and annual financial information required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management s Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In addition, the Company will furnish to the Holders of the Notes and to prospective investors, upon the requests of such Holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

The Company also will comply with the other provisions of Trust Indenture Act § 314(a).

The Company shall be deemed to have furnished such reports to the Trustee and the Holders of the Notes if it has filed such reports with the SEC using the EDGAR (or any successor) filing system and such reports are publicly available through such filing system.

In the event that any direct or indirect parent company of the Company becomes a guarantor of the Notes, the Company may satisfy its obligations under this covenant by furnishing financial information relating to such parent; provided, however, that (a) such financial statements are accompanied by consolidating financial information for such parent, the Company, the Subsidiary Guarantors and the Subsidiaries of the Company that are not Subsidiary Guarantors in the manner prescribed by the SEC and (b) such parent is not engaged in any business in any material respect other than incidental to its ownership, directly or indirectly, of the Capital Stock of the Company.

So long as any Notes are outstanding, the Company will also:

(1) as promptly as reasonably practicable after filing with the SEC or posting the annual and quarterly reports required by the first paragraph of this covenant, hold a conference call to discuss such reports and the results of operations for the relevant reporting period; and

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(2) issue a press release to the appropriate nationally recognized wire services prior to the date of the conference call required to be held in accordance with clause (1) of this paragraph, announcing the time and date of such conference call and including all information necessary to access the call.

This covenant will be deemed not to impose any duty on the Company under the Sarbanes-Oxley Act of 2002 and the related SEC rules that would not otherwise be applicable.

Defaults

Each of the following is an Event of Default:

(1) a default in the payment of interest on the Notes when due, continued for 30 days;

(2) a default in the payment of principal of any Note when due at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise;

(3) the failure by the Company to comply with its obligations under Certain Covenants Merger and Consolidation above;

(4) the failure by the Company to comply for (i) 30 days after notice with any of its obligations in the covenants described above under Change of Control (other than a failure to purchase Notes) or under Certain Covenants under Limitation on Indebtedness, Limitation on Restricted Payments, Limitation on Restrict on Distributions from Restricted Subsidiaries, Limitation on Sales of Assets and Subsidiary Stock (other than a failure to purchase Notes), Limitation on Affiliate Transactions, Limitation on Line of Business, Limitation on Liens or Future Subsidiary Guarantors or (ii) 90 days after notice with any of its obligations in the covenant described above under Certain Covenants SEC Reports ;

(5) the failure by the Company or any Subsidiary Guarantor to comply for 60 days after notice with its other agreements contained in the Indenture;

(6) Indebtedness of the Company, any Subsidiary Guarantor or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds $50.0 million (the cross acceleration provision);

(7) certain events of bankruptcy, insolvency or reorganization of the Company or any Significant Subsidiary (the bankruptcy provisions);

(8) any judgment or decree for the payment of money in excess of $50.0 million above the coverage under applicable insurance policies and indemnities, as to which the relevant insurer or indemnitor has not

disclaimed responsibility, is entered against the Company or any Significant Subsidiary, remains outstanding for a period of 60 consecutive days following the entry of such judgment or decree and is not discharged, waived or stayed (the judgment default provision); or

(9) any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee) or any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee (the Guarantor failure provision).

However, a default under clauses (4) and (5) will not constitute an Event of Default until the Trustee or the holders of 25% in principal amount of the outstanding Notes notify the Company of the default and the Company does not cure such default within the time specified after receipt of such notice.

If an Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If

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an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs and is continuing, the principal of and interest on all the Notes will ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holders of the Notes. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders of the Notes unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder of a Note or that would involve the Trustee in personal liability.

If a Default occurs, is continuing and is known to the Trustee, the Trustee must send to each holder of the Notes notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any Note, the Trustee may withhold notice if and so long as a committee of its Trust Officers in good faith determines that withholding notice is not opposed to the interest of the holders of the Notes. In addition, we are required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. We are required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action we are taking or propose to take in respect thereof.

Amendments and Waivers

Subject to certain exceptions, the Indenture, the Notes and the Subsidiary Guarantees may be amended with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for the Notes) and any past default or compliance with any provisions may also be waived with the consent of the holders of at least a majority in principal amount of the Notes then outstanding. However, without the consent of each holder of an outstanding Note affected thereby, an amendment or waiver may not, among other things:

(1) reduce the amount of Notes whose holders must consent to an amendment;

(2) reduce the rate of or extend the time for payment of interest on any Note;

(3) reduce the principal of or change the Stated Maturity of any Note;

(4) reduce the amount payable upon the redemption of any Note or change the date on which any Note may be redeemed as described under Optional Redemption (provided that the foregoing shall not include changing the notice periods for any redemption);

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any holder of the Notes to receive payment of principal of and interest on such holder s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder s Notes;

(7) make any change in the provisions which require each affected holder s consent to an amendment or waiver;

(8) make any change in the ranking or priority of any Note that would adversely affect the Noteholders; or

(9) make any change in, or release other than in accordance with the Indenture, any Subsidiary Guarantee that would adversely affect the Noteholders.

Notwithstanding the preceding, the covenants described under the captions Change of Control and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock may be amended as described in the last paragraph of each such description.

Notwithstanding the preceding, without the consent of any holder of the Notes, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture, the Notes and the Subsidiary Guarantees:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to provide for the assumption by a successor corporation of the obligations of the Company or any Subsidiary Guarantor under the Indenture as contemplated by the covenant described under Certain Covenants Merger and Consolidation ;

(3) to provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code);

(4) to add Guarantees with respect to the Notes, including any Subsidiary Guarantees, or to secure the Notes;

(5) to add to the covenants of the Company or any Subsidiary Guarantor for the benefit of the holders of the Notes or to surrender any right or power conferred upon the Company or any Subsidiary Guarantor;

(6) to make any change that does not adversely affect the rights of any holder of the Notes in any material respect;

(7) to comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act;

(8) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes; provided, however, that (a) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and (b) such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(9) to conform the text of the Indenture, the Notes or the Subsidiary Guarantees to any provision of the Description of the Notes section of the Offering Memorandum to the extent that such provision in such Description of the Notes is intended to be a verbatim recitation of a provision of the Indenture, the Notes or the Subsidiary Guarantees; or

(10) to reflect the issuance of Additional Notes in compliance with the terms of the Indenture.

The consent of the holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

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After an amendment under the Indenture becomes effective, we are required to send to holders of the Notes a notice briefly describing such amendment. However, the failure to give such notice to all holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment.

Neither the Company nor any Restricted Subsidiary may, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Company and its Restricted Subsidiaries shall be permitted in any such solicitation, offer (including any tender or exchange offer) or payment to exclude any category of Holders (including by jurisdiction) if (a) (i) applicable law, regulatory guidance, listing requirements or common practice could reasonably be interpreted as requiring the Company or any Restricted Subsidiary to file a registration statement, prospectus or similar document in connection therewith or (ii) such solicitation, offer or payment would not be permitted under applicable law with respect to Holders in such category, and (b) each excluded Holder shall have the right, in each case if such right is permitted under applicable law and will not give rise to a filing requirement of the type described in clause (a)(i), to (i) receive any applicable solicitation materials as if it were not an excluded Holder and (ii) accept a payment in an amount equal to the payment such Holder would have had the right to receive if it had not been an excluded Holder and had accepted such offer.

Transfer

The Notes have been or will be issued in registered form and will be transferable only upon the surrender of the Notes being transferred for registration of transfer. We may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection with certain transfers and exchanges.

Satisfaction and Discharge

When (1) we deliver to the Trustee all outstanding Notes for cancelation or (2) all outstanding Notes have become due and payable, whether at maturity or as a result of the sending of notice of redemption, or will become due and payable within one year or are to be called for redemption within one year, and, in the case of clause (2), we irrevocably deposit with the Trustee (x) cash in United States dollars or (y) cash in United States dollars, U.S. Government Obligations, or a combination thereof, in such amounts as, in the aggregate, will be sufficient (in the case of clause (y), (A) in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm, or (B) if no such opinion in the immediately preceding clause (A) can be reasonably obtained, in the opinion of the chief financial officer of the Company) to pay at maturity or upon redemption all outstanding Notes, including interest thereon to maturity or such redemption date, and if in either case we pay all other sums payable under the Indenture by us, then the Indenture shall, subject to certain exceptions, cease to be of further effect.

Defeasance

At any time, we may terminate all our obligations under the Notes and the Indenture (legal defeasance), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes.

In addition, at any time we may terminate our obligations under Change of Control and under the covenants described under Certain Covenants (other than the covenant described under Certain Covenants Merger and Consolidation), the

operation of the cross acceleration provision, the bankruptcy provisions with respect to Subsidiaries, the judgment default provision and the Guarantor failure provision described under Defaults above and the limitation contained in clause (3) of the first paragraph under Certain Covenants Merger and Consolidation above (covenant defeasance).

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We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option. If we exercise our legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If we exercise our covenant defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (4), (6), (7) (with respect only to Subsidiaries), (8) or (9) under Defaults above or because of the failure of the Company to comply with clause (3) of the first paragraph under Certain Covenants Merger and Consolidation above. If we exercise our legal defeasance option or our covenant defeasance option, each Subsidiary Guarantor will be released from all of its obligations with respect to its Subsidiary Guarantee.

In order to exercise either of our defeasance options, we must irrevocably deposit in trust (the defeasance trust) with the Trustee (x) cash in United States dollars or (y) cash in United States dollars, U.S. Government Obligations, or a combination thereof, in such amounts as, in the aggregate, will be sufficient (in the case of clause (y), (A) in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm, or (B) if no such opinion in the immediately preceding clause (A) can be reasonably obtained, in the opinion of the chief financial officer of the Company) for the payment of principal and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of an Opinion of Counsel to the effect that holders of the Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law).

Concerning the Trustee

Wells Fargo Bank, N.A. is the Trustee under the Indenture. We have appointed Wells Fargo Bank, N.A. as Registrar and Paying Agent with regard to the Notes.

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; provided, however, if it acquires any conflicting interest it must either eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign.

The Holders of a majority in principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. If an Event of Default occurs (and is not cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Subsidiary Guarantor (other than a stockholder that is the Company or another Subsidiary Guarantor) will have any liability for any obligations of the Company or any Subsidiary Guarantor under the Notes**,** any Subsidiary Guarantee or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder of the Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver and release may not be effective to waive liabilities under the U.S. federal securities laws, and it is

the view of the SEC that such a waiver is against public policy.

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Governing Law

The Indenture and the Initial Notes are, and the Exchange Notes will be, governed by, and construed in accordance with, the laws of the State of New York.

Certain Definitions

Additional Assets means:

(1) any property, plant or equipment used or useful in a Related Business;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; provided, however, that any such Restricted Subsidiary described in clause (2) or (3) above is primarily engaged in a Related Business.

Adjusted Consolidated Net Tangible Assets means (without duplication), as of the date of determination:

(1) the sum of:

(a) discounted future net revenue from proved oil and natural gas reserves of the Company and its Restricted Subsidiaries calculated in accordance with SEC guidelines before any state or federal income taxes, as estimated in a reserve report prepared as of the end of the fiscal year ending prior to the date of determination (or, if the date of determination is within 45 days after the end of the immediately preceding fiscal year and no reserve report as of the end of such fiscal year has at the time been prepared, as of the end of the second preceding fiscal year), which reserve report is prepared or audited by the Company s petroleum engineers or independent petroleum engineers, as increased by, as of the date of determination, the discounted future net revenue calculated in accordance with SEC guidelines (utilizing the prices utilized in such year-end reserve report) of:

(i) estimated proved oil and natural gas reserves of the Company and its Restricted Subsidiaries attributable to acquisitions consummated since the date of such reserve report, and

(ii) estimated oil and natural gas reserves of the Company and its Restricted Subsidiaries attributable to extensions, discoveries and other additions and upward determinations of estimates of proved oil and natural gas reserves (including previously estimated development costs incurred during the period and the accretion of discount since the prior period end) due to exploration, development or

exploitation, production or other activities which reserves were not reflected in such reserve report;

and decreased by, as of the date of determination, the discounted future net revenue attributable to:

(iii) estimated proved oil and natural gas reserves of the Company and its Restricted Subsidiaries reflected in such reserve report produced or disposed of since the date of such reserve report, and

(iv) reductions in the estimated oil and natural gas reserves of the Company and its Restricted Subsidiaries reflected in such reserve report since the date of such reserve report attributable to downward determinations of estimates of proved oil and natural gas reserves due to exploration, development or exploitation, production or other activities conducted or otherwise occurring since the date of such reserve report;

provided, however, that, in the case of each of the determinations made pursuant to clauses (i) through (iv), such increases and decreases shall be estimated by the Company s petroleum engineers or any independent petroleum engineer engaged by the Company for such purpose, in accordance with customary reserve engineering practices;

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(b) the capitalized costs that are attributable to oil and natural gas properties of the Company and its Restricted Subsidiaries to which no proved oil and natural gas reserves are attributed, based on the Company s books and records as of a date no earlier than the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination;

(c) the Net Working Capital as of the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination; and

(d) the greater of (i) the net book value as of a date no earlier than the end of the most recent fiscal quarter for which internal financial statements of the Company have been made available prior to the date of determination and (ii) the appraised value, as estimated by independent appraisers, of other tangible assets of the Company and its Restricted Subsidiaries as of a date within the immediately preceding 12 months (provided, however, that the Company shall not be required to obtain such an appraisal of such assets if no such appraisal has been performed); minus

(2) to the extent not otherwise taken into account in the immediately preceding clause (1), the sum of:

(a) minority interests;

(b) any net natural gas balancing liabilities of the Company and its Restricted Subsidiaries as of the effective date of the reserve report referred to in (1)(a) above;

(c) the discounted future net revenue before any state or federal income taxes, as of the effective date of such reserve report, calculated in accordance with SEC guidelines (utilizing the same prices utilized in the Company s year-end reserve report), attributable to participation interests, overriding royalty interests or other interests of third parties in reserves, pursuant to participation, partnership, vendor financing or other agreements then in effect, or which otherwise are required to be delivered to third parties;

(d) the discounted future net revenue before any state or federal income taxes, as of the effective date of such reserve report, calculated in accordance with SEC guidelines (utilizing the same prices utilized in the Company s year-end reserve report), attributable to reserves that are required to be delivered to third parties to fully satisfy the obligations of the Company and its Restricted Subsidiaries with respect to Volumetric Production Payments on the schedules specified with respect thereto; and

(e) the discounted future net revenue before any state or federal income taxes, as of the effective date of such reserve report, calculated in accordance with SEC guidelines, attributable to reserves subject to Dollar-Denominated Production Payments that, based on the estimates of production

included in determining the discounted future net revenue specified in the immediately preceding clause (1)(a) (utilizing the same prices utilized in the Company s year-end reserve report), would be necessary to satisfy fully the obligations of the Company and its Restricted Subsidiaries with respect to Dollar-Denominated Production Payments on the schedules specified with respect thereto.

Whether the Company uses the successful efforts method of accounting or the full cost (or similar method) method of accounting, Adjusted Consolidated Net Tangible Assets will be calculated as if the Company were using the full cost method of accounting.

Affiliate of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, control when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms controlling and controlled have meanings correlative to the foregoing. For purposes of the covenants described under Certain Covenants Limitation on Restricted Payments, Certain Covenants

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Limitation on Affiliate Transactions and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock only, Affiliate shall also mean any beneficial owner of Capital Stock representing 10% or more of the total voting power of the Voting Stock (on a fully diluted basis) of the Company or of rights or warrants to purchase such Capital Stock (whether or not currently exercisable). No Person shall be deemed an Affiliate of an oil and gas royalty trust solely by virtue of ownership of units of beneficial interest in such trust.

ASC means the Financial Standards Accounting Board s Accounting Standards Codification.

Asset Disposition means any sale, lease, transfer or other disposition or issuance (or series of related sales, leases, transfers or other dispositions or issuances) by the Company or any Restricted Subsidiary, including by means of a merger, consolidation or similar transaction (each, a disposition), of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors qualifying shares or shares required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary);

(2) all or substantially all the assets of any division or line of business of the Company or any Restricted Subsidiary; or

(3) any other assets of the Company or any Restricted Subsidiary outside of the ordinary course of business of the Company or such Restricted Subsidiary.

Notwithstanding the foregoing, the following shall be deemed not to be Asset Dispositions for purposes of the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock :

(A) a disposition by the Company or a Restricted Subsidiary to the Company or a Restricted Subsidiary;

(B) a disposition that constitutes (i) a Restricted Payment that is not prohibited by the covenant described under Certain Covenants Limitation on Restricted Payments or (ii) a Permitted Investment;

(C) a disposition of all or substantially all the assets of the Company in accordance with the covenant described under Certain Covenants Merger and Consolidation or any disposition that constitutes a Change of Control;

(D) a disposition in any single transaction or series of related transactions of assets with a Fair Market Value of less than $10.0 million;

(E) a disposition of cash or Temporary Cash Investments;

(F) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien);

(G) the trade or exchange by the Company or any Restricted Subsidiary of any Hydrocarbon and Mineral Property or any related assets or other assets commonly used in the Oil and Gas Business owned or held by the Company or such Restricted Subsidiary, or any Capital Stock of a Person all or substantially all of whose assets consist of one or more of such types of assets, for (i) assets of such types owned or held by another Person or (ii) the Capital Stock of another Person all or substantially all of whose assets consist of assets of such types and any cash or cash equivalents necessary in order to achieve an exchange of equivalent value; provided, however, that the Fair Market Value of the property or Capital Stock received by the Company or any Restricted Subsidiary in such trade or exchange (including any cash or cash equivalents) is substantially equal to the Fair Market Value of the property (including any cash or cash equivalents) so traded or exchanged; provided, further, that an amount equal to the amount of Net Available Cash from such disposition must be applied in accordance with the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock ;

(H) any Production Payment and Reserve Sales created, issued or assumed in connection with the financing of the acquisition of oil and gas properties that are subject thereto (and within 90 days after such acquisition), if the owner or purchaser of such Production Payment and Reserve Sale has recourse solely to such oil and gas properties and to the proceeds thereof, subject to the obligation of the grantor

or transferor of such Production Payment and Reserve Sale to operate and maintain the related oil and gas properties in a prudent manner or other customary standard, to deliver the associated production (if required) and to indemnify with respect to environmental, title and other matters customary in the Oil and Gas Business;

(I) a disposition of oil and gas properties in connection with tax credit transactions complying with Section 45K or any successor or analogous provisions of the Code;

(J) a disposition of the Capital Stock of or any Investment in any Unrestricted Subsidiary (other than Grizzly Holdings);

(K) surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(L) any Sale/Leaseback Transaction with respect to an asset acquired after the Issue Date; provided, however, that such transaction occurs within 180 days after the date of the acquisition of such asset by the Company or such Restricted Subsidiary;

(M) any disposition of defaulted receivables that arose in the ordinary course of business for collection; and

(N) a disposition of property pursuant to condemnation or eminent domain (or deed in lieu thereof); provided, however, that an amount equal to the amount of Net Available Cash from such disposition must be applied in accordance with the covenant described under Certain Covenants Limitation on Sales of Assets and Subsidiary Stock .

For the avoidance of doubt: (i) any disposition of Hydrocarbons and Minerals; (ii) any abandonment, relinquishment, farm-in, farm-out, lease, sub-lease, pooling, unitization, deemed transfer of working interests under any joint operating agreement or other similar or other disposition of developed or undeveloped or both developed and underdeveloped Hydrocarbon and Mineral Properties; (iii) the provision of services, equipment and other assets for the operation and development of the Company s and its Restricted Subsidiaries oil and natural gas wells (notwithstanding that any such transaction may be recorded as an asset sale in accordance with full cost accounting guidelines); (iv) any assignment of a working, overriding royalty or net profits interest to an employee or consultant of the Company or any of its Restricted Subsidiaries in connection with the generation of prospects or the exploration or development of oil and natural gas projects; (v) the licensing or abandonment of intellectual property in the ordinary course of business; (vi) the granting of leases or subleases that do not interfere in any material respect with the business of the Company and its Restricted Subsidiaries; (vii) the disposition of obsolete or worn-out equipment or equipment that is no longer used in the conduct of the business of the Company and its Restricted Subsidiaries and that is disposed of in each case in the ordinary course of business; (viii) the liquidation of any assets received in settlement of claims owed to the Company or any Restricted Subsidiary; and (ix) the disposition of, or voluntary or involuntary termination of, a Hedging Obligation, in each such case in the ordinary course of business of the Company or its Subsidiaries or as otherwise customary in the Oil and Gas Business, will not constitute an Asset Disposition.

Average Life means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment by

(2) the sum of all such payments.

Board of Directors means the board of directors of the Company or any committee thereof duly authorized to act on behalf of such board.

Business Day means each day which is not a Legal Holiday.

Capital Lease Obligation means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of the covenant described under Certain Covenants Limitation on Liens, a Capital Lease Obligation will be deemed to be Indebtedness secured by a Lien on the property being leased.

Capital Stock of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

Code means the Internal Revenue Code of 1986, as amended.

Consolidated Coverage Ratio as of any date of determination means the ratio of (1) the aggregate amount of EBITDA for the period of the most recent four consecutive fiscal quarters ending at least 45 days prior to the date of such determination to (2) Consolidated Interest Expense for such four fiscal quarters; provided, however, that:

(A) if the Company or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, then EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a pro forma basis to such Indebtedness and the use of the proceeds thereof as if such Indebtedness had been Incurred on the first day of such period and such proceeds had been applied as of such date; provided, however, that the pro forma calculation of Consolidated Interest Expense shall not give effect to any Indebtedness Incurred on the date of determination pursuant to paragraph (b) of the covenant described under Certain Covenants Limitation on Indebtedness ;

(B) if the Company or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, then EBITDA and Consolidated Interest Expense for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Company or such Restricted Subsidiary had not earned the interest income actually earned (if any) during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness; provided, however, that the pro forma calculation of Consolidated Interest Expense shall not give effect to the discharge on the date of determination of any Indebtedness to the extent such discharge results from the proceeds of Indebtedness Incurred pursuant to paragraph (b) of the covenant described under Certain Covenants Limitation on Indebtedness ;

(C) if, since the beginning of such period, the Company or any Restricted Subsidiary shall have made any Asset Disposition, then EBITDA for such period shall be reduced by an amount equal to EBITDA (if positive) directly attributable to the assets which were the subject of such Asset Disposition for such period, or increased by an amount equal to EBITDA (if negative) directly attributable thereto for such period, and Consolidated Interest Expense for such period shall be reduced by an amount equal to the Consolidated

Interest Expense directly attributable to any Indebtedness of the Company or any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and its continuing Restricted Subsidiaries in connection with such Asset Disposition for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), and interest income in respect of cash or Temporary Cash Investments received in

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connection with such Asset Disposition and not otherwise used (or required to be used) either to make a subsequent Investment or to purchase, repay, redeem or repurchase Indebtedness, shall be calculated on a pro forma basis as if such Asset Disposition had occurred on the first day of such period, with such cash or Temporary Cash Investments being deemed to have earned interest income at the same average rate as the Company s and the Restricted Subsidiaries cash and Temporary Cash Investments actually earned interest over the period for which pro forma effect is being given;

(D) if, since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of material assets, then EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition had occurred on the first day of such period; and

(E) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (C) or (D) above if made by the Company or a Restricted Subsidiary during such period, then EBITDA and Consolidated Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Disposition, Investment or acquisition had occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an event, the pro forma calculations shall be determined in good faith by a responsible financial or accounting Officer of the Company.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness, but if the remaining term of such Interest Rate Agreement is less than 12 months, then such Interest Rate Agreement shall only be taken into account for that portion of the period equal to the remaining term thereof).

The Consolidated Interest Expense attributable to interest on any Indebtedness under a revolving credit facility the outstanding principal balance of which is required to be computed on a pro forma basis in accordance with the foregoing shall be computed based upon the average daily balance of such Indebtedness during the applicable period, provided, however, that such average daily balance shall be reduced by the amount of any repayment of Indebtedness under such revolving credit facility during the applicable period, to the extent such repayment permanently reduced the commitments or amounts available to be borrowed under such facility.

Consolidated Interest Expense means, for any period, the total interest expense of the Company and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent incurred by the Company or its Restricted Subsidiaries, without duplication:

(1) interest expense attributable to Capital Lease Obligations;

(2) amortization of debt discount and debt issuance cost;

(3) capitalized interest;

(4) non-cash interest expense;

(5) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing;

(6) net payments pursuant to Interest Rate Agreements;

(7) dividends accrued in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, in each case, held by Persons other than the Company or a Wholly Owned

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Subsidiary (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Company);

(8) interest incurred in connection with Investments in discontinued operations;

(9) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) the Company or any Restricted Subsidiary; and

(10) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Company) in connection with Indebtedness Incurred by such plan or trust;

minus, to the extent included above, write-off of deferred financing costs and interest attributable to Dollar-Denominated Production Payments.

Consolidated Net Income means, for any period, the net income of the Company and its consolidated Subsidiaries; provided, however, that there shall not be included in such Consolidated Net Income:

(1) any net income of any Person (other than the Company) if such Person is not a Restricted Subsidiary, except that:

(A) subject to the exclusion contained in clause (4) below, the Company s equity in the net income of any such Person for such period shall be included in such Consolidated Net Income in an amount equal to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend, interest payment or other distribution (subject, in the case of a dividend, interest payment or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

(B) the Company s equity in a net loss of any such Person for such period shall not be included in determining such Consolidated Net Income, except to the extent of the aggregate cash actually contributed to such Person by the Company or a Restricted Subsidiary during such period;

(2) solely for purposes of determining the aggregate amount available for Restricted Payments under clause (a)(3) of the covenant described under Certain Covenants Limitation on Restricted Payments, any net income (or loss) of any Person acquired by the Company or a Subsidiary in a pooling of interests transaction (or any transaction accounted for in a manner similar to a pooling of interests) for any period prior to the date of such acquisition;

(3) any net income of any Restricted Subsidiary if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary,

directly or indirectly, to the Company, except that:

(A) subject to the exclusion contained in clause (4) below, the net income of any such Restricted Subsidiary for such period shall be included in such Consolidated Net Income in an amount equal to the aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend, interest payment or other distribution (subject, in the case of a dividend, interest payment or other distribution paid to another Restricted Subsidiary, to the limitation contained in this clause); and

(B) the net loss of any such Restricted Subsidiary for such period shall be included in determining such Consolidated Net Income;

(4) any gain or loss, together with any related provision for taxes on such gain or loss and all related fees and expenses, realized in connection with (A) the sale or other disposition of any assets of the Company, its consolidated Subsidiaries or any other Person that are not sold or otherwise disposed of in the ordinary course of business and (B) the disposition of any securities of any Person or the extinguishment of any Indebtedness of the Company or any of its Subsidiaries;

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(5) extraordinary or nonrecurring gains or losses, together with any related provision for taxes on such gains or losses and all related fees and expenses;

(6) the cumulative effect of a change in accounting principles;

(7) any asset impairment, write-off or write-down on or related to oil and gas properties under GAAP or SEC guidelines;

(8) any after-tax gain or loss realized on the termination of any employee pension benefit plan;

(9) any adjustments of a deferred tax liability or asset pursuant to ASC 740 that result from changes in enacted tax laws or rates;

(10) costs incurred in connection with acquisitions that were eligible for capitalization treatment under GAAP but instead were expensed at the time of incurrence, provided, however, that any such costs shall instead reduce Consolidated Net Income for any period to the extent of any amortization in such period that would have occurred if they had been capitalized;

(11) income or losses attributable to discontinued operations (including operations disposed of during such period whether or not such operations were classified as discontinued according to GAAP);

(12) non-cash charges relating to grants of performance shares, stock options, stock awards, stock purchase agreements, management compensation plans or other equity-based awards for officers, directors, employees or consultants of the Company or a Subsidiary (excluding any such non-cash charge to the extent that it represents an accrual of or reserve for cash charges in any future period or amortization of a prepaid cash expense that was paid in a prior period) to the extent that such non-cash charges are deducted in computing such Consolidated Net Income; provided, however, that if the Company or any Restricted Subsidiary makes a cash payment in respect of a non-cash charge in any period, such cash payment shall (without duplication) be deducted from the Consolidated Net Income for such period;

(13) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations (including those resulting from the application of ASC 815);