

United States Bankruptcy Court, Southern District of Texas

Fill in this information to identify the case (Select only one Debtor per claim form):

- | | |
|--|---|
| <input checked="" type="checkbox"/> EP Energy Corporation (19-35654) | <input type="checkbox"/> EP Energy Global LLC (19-35650) |
| <input type="checkbox"/> EPE Acquisition, LLC (19-35653) | <input type="checkbox"/> EP Energy Management, L.L.C. (19-35649) |
| <input type="checkbox"/> EP Energy LLC (19-35652) | <input type="checkbox"/> EP Energy Resale Company L.L.C. (19-35648) |
| <input type="checkbox"/> Everest Acquisition Finance Inc.(19-35651) | <input type="checkbox"/> EP Energy E&P Company, L.P. (19-35647) |

Official Form 410 Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense (other than a claim entitled to priority under 11 U.S.C. § 503(b)(9)). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	Western Regional Office, Bureau of Indian Affairs, US Dept. of the Interior Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)		
	Contact phone _____	Contact phone _____
	Contact email _____	Contact email _____
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____	
		Filed on _____ MM / DD / YYYY
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ see attachment. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.

Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ see attachment

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: see attachment

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Signature: Bryan Bowker
Bryan Bowker (Mar 25, 2020)

Email: seth.shapiro@usdoj.gov

Signature

Print the name of the person who is completing and signing this claim:

Name

see attachment

First name

Middle name

Last name

Title

Company

Identify the corporate servicer as the company if the authorized agent is a servicer.

Address

Number Street

City

State

ZIP Code

Contact phone

Email

Attach Supporting Documentation (limited to a single PDF attachment that is less than 5 megabytes in size and under 100 pages):

I have supporting documentation.
(attach below)

I do not have supporting documentation.



Attachment

PLEASE REVIEW YOUR PROOF OF CLAIM AND SUPPORTING DOCUMENTS AND REDACT ACCORDINGLY PRIOR TO UPLOADING THEM. PROOFS OF CLAIM AND ATTACHMENTS ARE PUBLIC DOCUMENTS THAT WILL BE AVAILABLE FOR ANYONE TO VIEW ONLINE.

IMPORTANT NOTE REGARDING REDACTING YOUR PROOF OF CLAIM AND SUPPORTING DOCUMENTATION When you submit a proof of claim and any supporting documentation you must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. The responsibility for redacting personal data identifiers (as defined in Federal Rule of Bankruptcy Procedure 9037) rests solely with the party submitting the documentation and their counsel. Prime Clerk and the Clerk of the Court will not review any document for redaction or compliance with this Rule and you hereby release and agree to hold harmless Prime Clerk and the Clerk of the Court from the disclosure of any personal data identifiers included in your submission. In the event Prime Clerk or the Clerk of the Court discover that personal identifier data or information concerning a minor individual has been included in a pleading, Prime Clerk and the Clerk of the Court are authorized, in their sole discretion, to redact all such information from the text of the filing and make an entry indicating the correction.

Instructions for Proof of Claim

These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571.

How to fill out this form

- Fill in all of the information about the claim as of the date the case was filed.
- Fill in the caption at the top of the form.
- If the claim has been acquired from someone else, then state the identity of the last party who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- Attach any supporting documents to this form.
Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *redaction* on the next page.)
Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called “Bankruptcy Rule”) 3001(c) and (d).
- Do not attach original documents because attachments may be destroyed after scanning.
- If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.

- A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, individual’s tax identification number, or financial account number, and only the year of any person’s date of birth. See Bankruptcy Rule 9037.
- For a minor child, fill in only the child’s initials and the full name and address of the child’s parent or guardian. For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, enclose a stamped self-addressed envelope and a copy of this form. You may view a list of filed claims in this case by visiting the Claims and Noticing Agent’s website at <http://cases.primeclerk.com/EPEnergy>.

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate.
11 U.S.C. § 503.

Claim: A creditor’s right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy.
11 U.S.C. §101 (5). A claim may be secured or unsecured.

Claim Pursuant to 11 U.S.C. §503(b)(9): A claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of the Debtor's business. Attach documentation supporting such claim.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

Please send completed Proof(s) of Claim to:

EP Energy Corporation Claims Processing Center
c/o Prime Clerk LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

Do not file these instructions with your form

United States Bankruptcy Court, Southern District of Texas (Houston Division)

Fill in this information to identify the case (Select only one Debtor per claim form):

Debtor: _____

Case Number: _____

Official Form 410 Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense (other than a claim entitled to priority under 11 U.S.C. § 503(b)(9)). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?

Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor _____

2. Has this claim been acquired from someone else?

No

Yes. From whom? _____

3. Where should notices and payments to the creditor be sent?

Where should notices to the creditor be sent?

Where should payments to the creditor be sent? (if different)

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Name

Name

Number Street

Number Street

City State ZIP Code

City State ZIP Code

Contact phone _____

Contact phone _____

Contact email _____

Contact email _____

4. Does this claim amend one already filed?

No

Yes. Claim number on court claims registry (if known) _____

Filed on _____
MM / DD / YYYY

5. Do you know if anyone else has filed a proof of claim for this claim?

No

Yes. Who made the earlier filing? _____

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ see attachment. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.

Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ see attachment

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

No

Yes. Check one:

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

Amount entitled to priority

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date _____ (mm/dd/yyyy)

BRYAN BOWKER

Digitally signed by BRYAN BOWKER
Date: 2020.03.25 13:19:39 -07'00'

Signature

Print the name of the person who is completing and signing this claim:

Name _____
First name Middle name Last name

Title _____

Company _____
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address _____
Number Street

City State ZIP Code

Contact phone _____ Email _____

**Attachment to Official Form 410 Proof of Claim of the United States of America in *In re*
EP Energy Corporation, et al.
Chapter 11 Case No. 19-35654 (MI), Bankr. S.D. Tex.**

1. **Current Creditor**

The United States of America on behalf of the Western Regional Office, Bureau of Indian Affairs.

2. **Creditor's Attorney for Notices and Payments**

Seth Brandon Shapiro
Senior Trial Counsel
U.S. Department of Justice-Civil Division
Commercial Litigation Branch
1100 L Street, N.W.-7th Floor-Room 7114
Washington, D.C. 20005
Email: seth.shapiro@usdoj.gov
Phone: (202) 514-7164

Attorney for the United States of America

3. **Amount of Claim**

\$31,687,500 (estimated)

4. **Basis for Claim**

Mineral Leases

The Indian Mineral Leasing Act (IMLA), 25 U.S.C. §§ 396a-g, authorizes the Secretary of the Interior (Secretary) to approve and manage leases and permits for the development of Indian tribal oil and gas resources. Likewise, the Act of March 3, 1909, 25 U.S.C. § 396 (the 1909 Act), authorizes the Secretary to approve and manage leases and permits for the development of oil and gas resources of individual Indians. The Secretary has delegated responsibilities under the IMLA and the 1909 Act to the Bureau of Indian Affairs (BIA), the Bureau of Land Management (BLM), and the Office of Natural Resources Revenue (ONRR). IMLA's regulations seek to “ensure that Indian mineral owners desiring to have their resources

developed are assured that they will be developed in a manner that maximizes their best economic interest and minimizes any adverse environmental impacts or cultural impacts resulting from such development.” 25 C.F.R. §§ 211.1(a) (tribal) and 212.1(a) (individual).

Pursuant to IMLA and the 1909 Act, Indian mineral owners may, with the approval of the Secretary, delegated to the BIA, lease their land for mining purposes. 25 C.F.R. §§ 211.20(a) (tribal) and 212.20 (individual). No exploration, drilling, or mining operations are permitted on any Indian lands before the BIA has granted written approval of a mineral lease or permit. The BIA must also give written permission before operations are started in accordance with applicable regulations. 25 C.F.R. § 211.48 (tribal) (applicable to individual leases through 25 C.F.R. § 212.48). The BIA may not approve the lease without the consent of the Indian mineral owner. 25 C.F.R. §§ 211.20(c) (tribal) and 212.20(c) (individual). In addition to these initial approvals, IMLA and the 1909 Act require the BIA’s approval for the suspension of operations or surrender of the lease, 25 C.F.R. §§ 211.44 and 211.51 (tribal) (applicable to individual leases through 25 C.F.R. §§ 211.44 and 212.51, respectively), and assignments or transfers of the lease, 25 C.F.R. § 211.53 (tribal) (applicable to individual leases through 25 C.F.R. § 212.53).

Leases under the IMLA and the 1909 Act have a maximum primary term of ten (10) years, and, absent specific lease provisions to the contrary, shall continue as long thereafter as minerals are produced in paying quantities. 25 C.F.R. § 211.27(a) (tribal) (applicable to individual leases under 25 C.F.R. § 212.27). Among other things, the lessee must exercise diligence in mining, drilling and operating wells on the leased lands while minerals production can be secured in paying quantities; protect the lease from drainage; conduct operations in a good and workmanlike manner in accordance with approved methods and practices; and prevent waste or destruction. 25 C.F.R. § 211.47(tribal) (applicable to individual leases under 25 C.F.R.

§ 212.47). All operations under the lease or permit must be in accordance with applicable BLM regulations. 25 C.F.R. §§ 211.1(c) and 211.4 (tribal) and 25 C.F.R. §§ 212.1(d) and 212.4 (individual). Once a lease is approved, bonus and rental payments are due to the BIA. 25 C.F.R. §§ 211.40 (tribal) (applicable to individual leases under 25 C.F.R. § 212.40) and 211.41 (tribal) and 25 C.F.R. § 212.41 (individual). After a lessee or permittee is producing minerals in paying quantities, royalties are paid through ONRR. 25 C.F.R. §§ 211.6 (tribal) and 211.40 (tribal) (applicable to individual leases under 25 C.F.R. § 212.40) and 25 C.F.R. § 212.6 (individual) (the Minerals Management Service referred to in the regulations is a predecessor to ONRR).

An Indian mineral lessee, permittee or prospective lessee acquiring a lease, or any interest therein, by assignment shall furnish with each lease, permit or assignment a surety bond or personal bond in an amount sufficient to ensure compliance with all of the terms and conditions of the lease(s), permit(s), or assignment(s) and the statutes and regulations applicable to the lease, permit, or assignment. The required amount of bonds may be increased in any particular case at the discretion of the Secretary. 25 C.F.R. § 211.24 (tribal) (applicable to individual leases under 25 C.F.R. § 212.24). If the Secretary determines that a lessee has failed to comply with the terms of the permit or lease or applicable law, the regulations provide procedures for notice and corrective action, including potential cancellation of the lease and monetary penalties. 25 C.F.R. §§ 211.54 and 211.55 (tribal) (applicable to individual leases under 25 C.F.R. §§ 212.54 and 212.55, respectively).

There are 150 oil and/or gas leases under the IMLA and the 1909 Act in the name of Debtor on the Uintah and Ouray Reservation, with 195 wells. All of the wells on those leases require plugging and abandonment and surface reclamation under federal regulations at 43 C.F.R. §§ 3162.3-4(c) and 3162.5-1(b) and the lease terms. Based on BLM's professional

expertise, it roughly estimates the costs for the required plugging and abandonment (based on an average depth of 14,000 feet per well and \$10 a foot to plug) to be an average of \$140,000 per well. Based on an average surface disturbance of 4.5 acres per well with reclamation costs estimated at \$5,000 an acre, the estimated potential surface reclamation liability would be \$22,500 per well. Thus, the total estimated liability to Debtor, as of the petition date, for the required plugging, abandonment, and surface reclamation would be an average of \$162,500 per well, or approximately \$31,687,500 for all 195 wells. As the United States learns more information, and once plugging, abandonment, and reclamation activities begin, these estimated costs may change.

Injunctive Obligations Related to Debtor's Leases

The United States is not required to file a proof of claim with respect to Debtors' injunctive obligations to comply with work requirements and financial assurance obligations imposed by the leases and rights-of-way, environmental statutes, regulations, court or administrative orders, licenses, or permits, because such obligations are not claims under 11 U.S.C. § 101(5). These work requirements and financial assurance obligations include those imposed by the above statutes and regulations. Debtors, as well as any reorganized debtor and/or other successor, must comply with all requirements imposed by the above statutes and regulations, including applicable bonding requirements and the United States reserves the right to take future actions to enforce any such obligations and requirements.

While the United States believes that its position, if challenged, will be upheld by the appropriate court, the United States has included the aforementioned obligations and requirements in this Proof of Claim in a protective fashion, to safeguard against the possibility that Debtors may successfully contend that they do not need to comply with such obligations and

requirements. Therefore, a protective contingent claim is filed in the alternative for such obligations and requirements, but only in the event that the appropriate court finds that such obligations and requirements are dischargeable claims under 11 U.S.C. § 101(5), rather than obligations and regulatory requirements with which any reorganized debtor or successor entity must comply. Nothing in this Proof of Claim constitutes a waiver of any rights by the United States or an election of remedies with respect to such rights.

The United States is entitled to administrative expense priority for, inter alia, any costs it incurs with respect to property of the estate after the petition date. The United States reserves the right to file an application for administrative expenses and to take other appropriate action in the future with respect to property of the estate. This Proof of Claim is being filed protectively with respect to post-petition liabilities and response costs relating to property of the estate in the event those post-petition costs are determined by a court of competent jurisdiction to be pre-petition liabilities.

5. **Additional Terms**

This claim is entitled to treatment as a secured claim under 11 U.S.C. § 506(a) to the extent it is subject to set off by a claim of the Debtor against BIA or any other United States agency, department or instrumentality. The United States is a unitary creditor for purposes of setoff.

This Proof of Claim is also filed to the extent necessary to protect the United States rights with respect to any insurance proceeds received by Debtors, any funds held in escrow by Debtors, or any bonds or financial assurances in connection with the matters discussed herein. The United States expressly reserves all rights to contend that insurance proceeds, funds held in escrow by the Debtors, or bonding or other financial assurances are not property of the estate.

The United States expressly reserves its rights pursuant to 11 U.S.C. § 553 to offset any prepetition obligation of any agency or component of the United States - whether fixed, contingent, or the subject of litigation as of Debtors' prepetition date - to Debtors, or any successor in interest of any Debtor, to any such prepetition obligation, against any portion of this claim. The United States has a secured claim to the extent of funds available to setoff against its claim.

The filing of this Claim is not: (a) a waiver or release of the United States rights against any person, entity or property; (b) a waiver or release of any right or claim of the United States arising out of any other claim, of any nature whatsoever, which the United States has against the Debtors; (c) a waiver or release or any rights of the United States under any provisions of the Bankruptcy Code or other applicable non-bankruptcy law; (d) an election of any remedy to the exclusion, express or implied, of any other remedy; (e) a consent that this Claim is a debt which is subject to discharge in this or any other subsequent bankruptcy proceeding; (f) a ratification or consent to any obligation or liability based upon or arising out of any transaction between the United States and the Debtor; (g) a waiver or release of any rights of the United States to have any and all final orders in any and all noncore matters entered only after de novo review by a United States District Court; (h) a waiver or release of any rights of the United States to trial by jury in any proceeding as to any and all matters so triable; or (i) a waiver or release of any rights of the United States to have the reference in this matter withdrawn by the United States District Court in any matter or proceeding subject to mandatory or discretionary withdrawal. All of such rights are hereby expressly reserved by the United States without exemption and with no purpose of confessing or conceding any of the foregoing in any way by this filing or by any other participation in this case.

No judgments against Debtors have been rendered on the claims set forth herein.

No payments to the United States have been made by Debtors on the claims set forth herein.

This Proof of Claim reflects certain liabilities of Debtors that are known to the United States. The United States reserves the right to amend this Proof of Claim to assert additional liabilities.

Additional documentation in support of this Proof of Claim is too voluminous to attach, but is available upon request.







Electronic Proof of Claim

Final Audit Report

2020-03-25

Created:	2020-03-25
By:	Prime Clerk (epoc@primeclerk.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1SrlA467KYTixdf-NLHafI8nIMn3D-Pm

"Electronic Proof of Claim" History

-  Web Form created by Prime Clerk (epoc@primeclerk.com)
2020-03-25 - 8:49:19 PM GMT
-  Bryan Bowker (seth.shapiro@usdoj.gov) uploaded the following supporting documents:
 -  Attachment
2020-03-25 - 8:55:52 PM GMT
-  Web Form filled in by Bryan Bowker (seth.shapiro@usdoj.gov)
2020-03-25 - 8:55:52 PM GMT- IP address: 98.233.34.22
-  (User email address provided through API User-Agent: Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/80.0.3987.132 Safari/537.36)
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-  Signed document emailed to Prime Clerk (epoc@primeclerk.com) and Bryan Bowker (seth.shapiro@usdoj.gov)
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