Docket #18 Date Filed: 04/01/2020

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
WHITING PETROLEUM CORPORATION, *et al.*,[1]	)	Case No. 20-32021 (DRJ)
Debtors.	)	(Joint Administration Requested)
	)	(Emergency Hearing Requested)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING PAYMENT OF MINERAL OBLIGATIONS AND (II) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON APRIL 1, 2020, AT 1:30 P.M. (CENTRAL TIME) IN COURTROOM 400, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN APRIL 2, 2020.

PLEASE NOTE THAT ON MARCH 24, 2020, THROUGH THE ENTRY OF GENERAL ORDER 2020-10, THE COURT INVOKED THE PROTOCOL FOR EMERGENCY PUBLIC HEALTH OR SAFETY CONDITIONS.

IT IS ANTICIPATED THAT ALL PERSONS WILL APPEAR TELEPHONICALLY AND ALSO MAY APPEAR VIA VIDEO AT THIS HEARING.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S REGULAR DIAL-IN NUMBER. THE DIAL-IN NUMBER IS +1 (832) 917-1510. YOU WILL BE RESPONSIBLE FOR YOUR OWN LONG-DISTANCE CHARGES. YOU WILL BE ASKED TO KEY IN THE CONFERENCE ROOM NUMBER. JUDGE JONES' CONFERENCE ROOM NUMBER IS 205691.

PARTIES MAY PARTICIPATE IN ELECTRONIC HEARINGS BY USE OF AN INTERNET CONNECTION. THE INTERNET SITE IS WWW.JOIN.ME. PERSONS CONNECTING BY MOBILE DEVICE WILL NEED TO DOWNLOAD THE FREE JOIN.ME APPLICATION.

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Whiting Canadian Holding Company Unlimited Liability Corporation (3662); Whiting Petroleum Corporation (8515); Whiting US Holding Company (2900); Whiting Oil and Gas Corporation (8829); and Whiting Resources Corporation (1218). The location of the debtors' service address is: 1700 Lincoln Street, Suite 4700, Denver, Colorado 80203.

ONCE CONNECTED TO WWW.JOIN.ME, A PARTICIPANT MUST SELECT "JOIN A MEETING". THE CODE FOR JOINING THIS HEARING BEFORE JUDGE JONES IS "JUDGEJONES". THE NEXT SCREEN WILL HAVE A PLACE FOR THE PARTICIPANT'S NAME IN THE LOWER LEFT CORNER. PLEASE COMPLETE THE NAME AND CLICK "NOTIFY".

The above-captioned debtors and debtors in possession (collectively, the "Debtors")[2] respectfully state the following in support of this motion:

Relief Requested

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto (respectively, the "Interim Order" and "Final Order"): (a) authorizing the Debtors to pay or apply in the ordinary course of business any and all amounts owed in connection with the Mineral Obligations (as defined herein), whether incurred prepetition or postpetition; and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing within 25 days of the commencement of these chapter 11 cases, or as soon thereafter as is convenient for the Court, to consider approval of this motion on a final basis.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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[2] A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors' chapter 11 cases, are set forth in the *Declaration of Jeffrey S. Stein, Chief Restructuring Officer of Whiting Petroleum Corporation, in Support of Chapter 11 Petitions and First Day Motions* and the *Declaration of Correne S. Loeffler, Chief Financial Officer of Whiting Petroleum Corporation, in Support of the Debtors' First Day Motions* (the "First Day Declarations"), each of which are to be filed in connection herewith.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 363(b), 541, and 1107 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Bankruptcy Rules 6003 and 6004, and rule 9013-1(i) of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

Background

5. Whiting Petroleum Corporation ("WLL") and its Debtor affiliates are an independent exploration and production company with an oil focused asset base. The Debtors' primary production and development activities are located in North Dakota and the Rocky Mountain region, with additional oil and gas properties located in Texas. The Debtors' assets predominately are mature properties with stable, high-quality, oil-weighted production. Headquartered in Denver, Colorado, the Debtors have approximately 500 employees. The Debtors' operating revenue for the twelve-month period that ended December 31, 2019 was approximately $1.6 billion, and, as of the Petition Date, the Debtors have approximately $3.4 billion in total funded debt obligations.

6. On the date hereof (the "Petition Date"), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated.

Obligations to be Paid

I. Royalties and Non-Op Working Payments.

7. The Debtors operate or have working interests in approximately 5,077 oil and gas wells. In connection with these interests, the Debtors are obligated, pursuant to their oil and gas leases and certain other agreements, to remit to the lessors of the oil and gas leases and holders of certain other interests, claims, or rights to payment (collectively, the "Mineral and Other Interests") the amounts to which such parties may be entitled under the oil and gas lease or other operative documents (the "Royalties").

8. Additionally, in their capacity as operator, the Debtors are obligated to market oil and gas production on behalf of certain owners of non-operating working interests (the "Non-Op Working Interests"). Following the sale of the marketed production and the receipt of proceeds attributable thereto, the Debtors are obligated to remit to holders of Non-Op Working Interests their share of the proceeds net of all applicable deductions (the "Non-Op Working Payments").

9. Royalties and Non-Op Working Payments are governed by the terms of oil and gas leases or other documents pursuant to which such rights to payment were created, and, commonly, state statutory frameworks that set strict payment deadlines and contain enforcement mechanisms, including interest, fines, recovery of costs and attorney's fees, and, in some cases, punitive damages. Failure to pay the Royalties or Non-Op Working Payments when due could expose the Debtors to enforcement actions and actions by the owners of the Royalties and Non-Op Working Payments for breach of contract, conversion, or other claims for damages for breach of the relevant oil and gas lease or other document creating such payment. Such enforcement actions could result in the assertion of significant secured or unsecured claims against the property of the estate. Further, for certain oil and gas leases, including those granted by the United States or agencies of

individual states, the non-Debtor counterparty may have a statutory or contractual right to seek termination of the lease as a remedy for a breach, such as failure to pay Royalties and Non-Op Working Payments. This could expose the Debtors to the forfeiture, cancellation, or termination of oil and gas leases. Clearly, failure to pay Royalties and Non-Op Working Payments as and when due could have a material adverse effect upon the Debtors and their operations.

10. The amount of Royalties owed to holders of Mineral and Other Interests in a given month is subject to variation due to many factors, including the specific terms of the Mineral and Other Interests, changes in ownership, and changes in the amount or type of minerals captured. Similarly, the amount of Non-Op Working Payments owed to holders of Non-Op Working Interests is not entirely predictable on a month-to-month basis. The Debtors' Royalties and Non-Op Working Payments total approximately $90 million per month. In the twelve months before the Petition Date, the Debtors remitted Royalties and Non-Op Working Payments in an aggregate amount of approximately $1.1 billion. These payments are remitted by the Debtors throughout the course of a given month. As a result of the time required to market and sell the production and the significant accounting process required each month to accurately disburse the resulting proceeds, Royalties and Non-Op Working Payments generally are paid approximately thirty to sixty days following the end of the month in which production of the underlying oil and gas occurred.

11. The Debtors estimate that, as of the Petition Date, the Debtors have approximately $309.7 million[3] in accrued but unpaid Royalties and Non-Op Working Payments, approximately $103.8 million of which will become payable within the first 21 days of these chapter 11 cases.

[3] This amount includes approximately $105 million in "suspense," consisting of Royalties due and owing to certain holders of Mineral and Other Interests but which amounts are otherwise unpayable for a variety of reasons, including incorrect contact information, unmarketable title, ongoing federal and state litigation, and ongoing disputes over ownership of the underlying interest.

Accordingly, the Debtors request authority to pay prepetition amounts due and owing to holders of Mineral and Other Interests and Non-Op Working Interests and to continue honoring Royalties and Non-Op Working Payments in the ordinary course of business on a postpetition basis, in each instance subject to the Debtors' rights to dispute asserted amounts and to withhold payment pending resolution of any such dispute.

II. Joint-Interest Billings.

12. The efficient capture of minerals from an area of land or depths (a "Contract Area") often involves the sharing of the economic risk of development among multiple working interest owners party to multiple oil and gas leases. Accordingly, the rights and responsibilities associated with the capture of minerals are allocated by and between such working interest owners according to their respective working interests subject, in most cases, to a contractual arrangement governing operations on the Contract Area ordinarily referred to as a joint operating agreement (each, a "JOA," and together, "JOAs"), or, absent a JOA or similar agreement, subject to the application of well-established real property and contractual precedents.

13. The Debtors hold Non-Op Working Interests in certain wells under various JOAs to which the Debtors are party. In such instances, the Debtors receive payments representing their share of production revenues and then reimburse the operators for their share of production costs through payment of joint-interest billings (the "JIBs" and together with Royalties and Non-Op Working Payments, the "Mineral Obligations"). Rights to payment of JIBs often are secured under contractual lien rights or statutory lien rights in favor of the operator against the Debtors' interest in the respective wells or are subject to recoupment and setoff. Specifically, the rights to payment of the JIBs are secured under the JOAs.

14. As of the Petition Date, the Debtors estimate approximately $27.6 million JIB payments are outstanding, approximately $10 million of which will become payable in the first

21 days of these chapter 11 cases. The Debtors request authority to remit prepetition JIB payments and to continue remitting JIB payments in the ordinary course of business on a postpetition basis, in each instance subject to the Debtors' rights to dispute asserted amounts and to withhold payment pending resolution of any such dispute.

Basis for Relief Requested

I. Payments on Account of Mineral Obligations Are Authorized by Sections 105(a) and 363(b) of the Bankruptcy Code.

15. Courts in the Fifth Circuit and elsewhere have recognized that it is appropriate to authorize the payment of prepetition obligations where necessary to protect and preserve the estate, including an operating business's going-concern value. *See, e.g.*, *In re CoServ*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) (authorizing payment of certain prepetition claims pursuant to "doctrine of necessity"); *In re Equalnet Commc'ns Corp.*, 258 B.R. 368, 369–70 (Bankr. S.D. Tex. 2000) (business transactions critical to the survival of the business of the debtor are exceptions to the general rule of nonpayment of prepetition claims prior to plan confirmation); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) ("The ability of a Bankruptcy Court to authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept."). In doing so, these courts acknowledge that several legal theories rooted in sections 105(a), 363(b), and 1107(a) of the Bankruptcy Code support the payment of prepetition claims as provided herein.

16. Section 363(b) of the Bankruptcy Code permits a debtor, subject to court approval, to pay prepetition obligations where a sound business purpose exists for doing so. *See Ionosphere Clubs*, 98 B.R. at 175 (noting that section 363(b) provides "broad flexibility" to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). In addition, under section 1107(a) of the Bankruptcy Code, a debtor in possession

has, among other things, the "implied duty of the debtor-in-possession to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ*, 273 B.R. at 497).

17. Moreover, under section 105(a) of the Bankruptcy Code, "the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code." 11 U.S.C. § 105(a); *In re CoServ*, 273 B.R. at 497 (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor in possession to pay prepetition claims); *see In re CEI Roofing, Inc.*, 315 B.R. at 56 (finding that "[b]ecause Congress has specifically provided that prepetition wage claims up to a certain amount per claim be elevated to priority status under § 503(1)(3)" the court's job is easier when it considers approval of such prepetition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that nonpayment of prepetition claims may seriously damage a debtor's business).

18. The above-referenced sections of the Bankruptcy Code therefore authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor's estate, as is the case here. *See, e.g.*, *In re CoServ*, 273 B.R. at 497 ("[I]t is only logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.").

19. The relief requested herein is appropriate and warranted. ***First***, if the Debtors fail to pay prepetition or postpetition amounts owed on account of Mineral Obligations, the Debtors' drilling and production operations would be severely impacted, as production could entirely cease for certain wells and leases could be lost. ***Second***, many states provide a statutory right to assert liens on account of unpaid Mineral Obligations, and failure to timely pay outstanding Mineral

Obligations likely would lead to attempted setoff or recoupment. ***Third***, given that rights to payment of JIBs often are secured by contractual or statutory liens or other rights, such as setoff or recoupment, granting the requested relief may only affect the timing of payment and not result in the operating interest owners receiving more than they are otherwise entitled to receive under applicable law.

20. Most significantly, the authority to satisfy the Mineral Obligations in the initial days of these chapter 11 cases will send a clear signal to the marketplace, including to holders of such obligations, that the Debtors are willing and able to conduct business as usual during these chapter 11 cases. If the relationships established by the Debtors with these parties are harmed, whether through nonpayment or perceived difficulties of working with a chapter 11 debtor, the Debtors may be unable to secure future opportunities with such parties and other third parties. Such an occurrence would be value destructive and have a substantial negative impact on the Debtors' business, their estates, and creditors.

21. Based on the dire consequences that could result if the Debtors fail to honor the Mineral Obligations, the Debtors submit that the relief requested herein represents a sound exercise of their business judgment, is necessary to avoid immediate and irreparable harm to their estates, and is therefore justified under sections 105(a) and 363(b) of the Bankruptcy Code.

Cause Exists to Authorize the Debtors'
Financial Institutions to Honor Checks and Electronic Fund Transfers

22. The Debtors have sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to cash collateral. In addition, under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the Mineral Obligations. Accordingly, the Debtors believe that checks or

wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtors respectfully request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

Emergency Consideration

23. Pursuant to Bankruptcy Rule 6003, which empowers a court to grant relief within the first 21 days after the commencement of a chapter 11 case "to the extent that relief is necessary to avoid immediate and irreparable harm," and Local Rule 9013-1(i), the Debtors respectfully request emergency consideration of this motion. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their operations and that any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. Furthermore, the failure to receive the requested relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture and imperil the Debtors' restructuring. Accordingly, the Debtors submit that they have satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this motion on an emergency basis.

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

24. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

25. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of

any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion or any order granting the relief requested by this motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' or any other party in interest's rights to subsequently dispute such claim.

Notice

26. The Debtors will provide notice of this motion to the following parties or their counsel: (a) the U.S. Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors' prepetition revolving credit facility; (d) the lenders under the Debtors' prepetition revolving credit facility; (e) the indenture trustee for the Debtors' unsecured notes; (f) the ad hoc group of senior noteholders; (g) the holders of Mineral and Other Interests, Non-Op Working

Interests, and rights to payment under JIBs; (h) the United States Attorney's Office for the Southern District of Texas; (i) the Internal Revenue Service; (j) the United States Securities and Exchange Commission; (k) the Environmental Protection Agency and similar state environmental agencies for states in which the Debtors conduct business; (l) the state attorneys general for states in which the Debtors conduct business; and (m) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtors respectfully request that the Court enter the Interim and Final Orders, granting the relief requested in this motion and granting such other and further relief as is appropriate under the circumstances.

Houston, Texas
April 1, 2020

Respectfully Submitted,

/s/ Matthew D. Cavenaugh

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Certificate of Service

I certify that on April 1, 2020, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Matthew D. Cavenaugh
Matthew D. Cavenaugh

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
WHITING PETROLEUM CORPORATION, *et al.*,[1]	)	Case No. 20-32021 (DRJ)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. __**

INTERIM ORDER (I) AUTHORIZING PAYMENT OF MINERAL OBLIGATIONS AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"): (a) authorizing the Debtors to pay or apply in the ordinary course of business any and all amounts owed in connection with the Mineral Obligations, whether incurred prepetition or postpetition; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Whiting Canadian Holding Company Unlimited Liability Corporation (3662); Whiting Petroleum Corporation (8515); Whiting US Holding Company (2900); Whiting Oil and Gas Corporation (8829); and Whiting Resources Corporation (1218). The location of the debtors' service address is: 1700 Lincoln Street, Suite 4700, Denver, Colorado 80203.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing (the "Final Hearing") on the Motion shall be held on _____, 2020, at__:__ _.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on _____, 2020. In the event no objections to entry of a final order on the Motion are timely received, the Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized: (a) to pay prepetition amounts owed on account of Mineral Obligations in the ordinary course of business on a postpetition basis and (b) to continue making payments on account of the Mineral Obligations in the ordinary course of business on a postpetition basis. Prior to the entry of a Final Order, the Debtor shall not pay any obligations under this Interim Order unless they are due or are deemed necessary to be paid in the Debtors' business judgment to ensure ongoing provision of goods or services or otherwise to avoid an adverse effect on operations.

4. The Debtors shall maintain a matrix or schedule of amounts to be paid on account of the Mineral Obligations subject to the terms and conditions of this Interim Order. The Debtors

shall provide a copy of such matrix to the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Interim Order.

5. The Debtors are authorized to setoff payments on account of Non-Op Working Interests against JIBs pursuant to agreement or applicable law in the ordinary course of business.

6. If any holder of a Mineral and Other Interest, Non-Op Working Interest, or right to payment under the JIBs, or any other party accepts payment on account of any Mineral Obligations under this Interim Order, and the Debtors' interests in such payments on account of Mineral Obligations subsequently are recharacterized or otherwise determined by the Court after notice and a hearing to constitute property of the Debtors' estates, the Debtors are authorized, but not directed, to avoid such payment as a postpetition transfer under section 549 of the Bankruptcy Code, and the holder of such Mineral and Other Interest, Non-Op Working Interest, or right to payment under the JIBs, or other party who had accepted such payment shall be required to immediately repay to the Debtors any payment made to it on account of its asserted claim to the extent the aggregate amount of such payments exceeds the postpetition obligations then outstanding, without the right of setoff, claims, provision for payment of reclamation or trust fund claims, or otherwise. Upon recovery of such payments by the Debtors, the obligation shall be reinstated as a prepetition claim in the amount so recovered.

7. Any amounts paid to or for the benefit of an insider of one or more of the Debtors is subject to disgorgement after notice and hearing if such payment is not authorized by a final order and if the Court orders such disgorgement pursuant to a disgorgement motion. The basis for any such disgorgement is not limited by this Interim Order, but the Court anticipates that disgorgement would not be appropriate to the extent that any such payment is for (i) postpetition goods and services at market rates; (ii) a pass-through payment to a third

party; or (iii) a payment on a JIB that is not to or for the benefit of an insider; *provided* that any amounts that are passed through an insider for a JIB will not be treated as to or for the benefit of an insider.

8. Any holder of a Mineral and Other Interest, Non-Op Working Interest, right to payment under the JIBs, or any other party that accepts payment from the Debtors on account of the Mineral Obligations shall be deemed to have agreed to the terms and provisions of this Interim Order.

9. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim, interest, or lien against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any prepetition claim, interest, or lien on any grounds; (c) a promise or requirement to pay prepetition claims; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) an implication or admission that any particular claim, interest, or lien is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (f) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (g) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

10. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

11. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

12. Notwithstanding anything to the contrary herein, all disbursements made hereunder shall be subject to the requirement imposed on the Debtors under the cash collateral order (whether interim or final, the "Cash Collateral Order") and the Budget (as defined therein) as approved from time to time in accordance with the terms thereof. In the event of any inconsistency between the terms of this Interim Order and the Cash Collateral Oder or the Budget, the terms of the Cash Collateral Order and the Budget shall govern.

13. To the extent the Debtors make a payment to a claimant that is an insider or an affiliate of an insider of the Debtors, the Debtors shall provide a copy of a matrix or schedule of such payments to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Interim Order.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

18. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Houston, Texas
Dated: _____, 2020

UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
WHITING PETROLEUM CORPORATION, *et al.*,[1]	)	Case No. 20-32021 (DRJ)
Debtors.	)	(Joint Administration Requested)
	)	**Re: Docket No. __**

FINAL ORDER (I) AUTHORIZING PAYMENT OF MINERAL OBLIGATIONS AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of a final order (this "Final Order"), (a) authorizing the Debtors to pay or apply in the ordinary course of business any and all amounts owed in connection with the Mineral Obligations, whether incurred prepetition or postpetition, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declarations; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Whiting Canadian Holding Company Unlimited Liability Corporation (3662); Whiting Petroleum Corporation (8515); Whiting US Holding Company (2900); Whiting Oil and Gas Corporation (8829); and Whiting Resources Corporation (1218). The location of the debtors' service address is: 1700 Lincoln Street, Suite 4700, Denver, Colorado 80203.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth in this Order.

2. The Debtors are authorized: (a) to pay prepetition amounts owed on account of Mineral Obligations in the ordinary course of business on a postpetition basis and (b) to continue making payments on account of the Mineral Obligations in the ordinary course of business on a postpetition basis.

3. The Debtors shall maintain a matrix or schedule of amounts paid on account of the Mineral Obligations subject to the terms and conditions of this Final Order. The Debtors shall provide a copy of such matrix to the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Final Order.

4. The Debtors are authorized to setoff payments on account of Non-Op Working Interests against JIBs pursuant to agreement or applicable law in the ordinary course of business.

5. If any holder of a Mineral and Other Interest, Non-Op Working Interest, or right to payment under the JIBs, or any other party accepts payment on account of any Mineral Obligations under this Final Order, and the Debtors' interests in such payments on account of Mineral Obligations subsequently are recharacterized or otherwise determined by the Court after notice and a hearing to constitute property of the Debtors' estates, the Debtors are authorized, but not

directed, to avoid such payment as a postpetition transfer under section 549 of the Bankruptcy Code, and the holder of such Mineral and Other Interest, Non-Op Working Interest, or right to payment under the JIBs, or other party who had accepted such payment shall be required to immediately repay to the Debtors any payment made to it on account of its asserted claim to the extent the aggregate amount of such payments exceeds the postpetition obligations then outstanding, without the right of setoff, claims, provision for payment of reclamation or trust fund claims, or otherwise. Upon recovery of such payments by the Debtors, the obligation shall be reinstated as a prepetition claim in the amount so recovered.

6. Any amounts paid to or for the benefit of an insider of one or more of the Debtors is subject to disgorgement after notice and hearing if such payment is not authorized by a final order and if the Court orders such disgorgement pursuant to a disgorgement motion. The basis for any such disgorgement is not limited by this Final Order, but the Court anticipates that disgorgement would not be appropriate to the extent that any such payment is for (i) postpetition goods and services at market rates; (ii) a pass-through payment to a third party; or (iii) a payment on a JIB that is not to or for the benefit of an insider; *provided* that any amounts that are passed through an insider for a JIB will not be treated as to or for the benefit of an insider.

7. Any holder of a Mineral and Other Interest, Non-Op Working Interest, right to payment under the JIBs, or any other party that accepts payment from the Debtors on account of the Mineral Obligations shall be deemed to have agreed to the terms and provisions of this Final Order.

8. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any

prepetition claim, interest, or lien against a Debtor entity; (b) a waiver of the Debtors' or any other party in interest's rights to dispute any prepetition claim, interest, or lien on any grounds; (c) a promise or requirement to pay prepetition claims; (d) a waiver of the obligation of any party in interest to file a proof of claim; (e) an implication or admission that any particular claim, interest, or lien is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (f) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (g) a waiver of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any the relief granted herein.

11. Notwithstanding anything to the contrary herein, all disbursements made hereunder shall be subject to the requirements imposed on the Debtors under the cash collateral order (whether interim or final, the "Cash Collateral Order") and the Budget (as defined therein) as approved from time to time in accordance with the terms thereof. In the event of any inconsistency

between the terms of this Final Order and the Cash Collateral Order or the Budget, the terms of the Cash Collateral Order and the Budget shall govern.

12. To the extent the Debtors make a payment to a claimant that is an insider or an affiliate of an insider of the Debtors, the Debtors shall provide a copy of a matrix or schedule of such payments to the U.S. Trustee and any statutory committee appointed in these chapter 11 cases every 30 days beginning upon entry of this Final Order.

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the Requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

14. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

15. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

17. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.

Houston, Texas
Dated: _____, 2020

UNITED STATES BANKRUPTCY JUDGE