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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Form 10-K/A**  
(Amendment No. 1)

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- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

Commission file number: 001-38602

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**Chaparral Energy, Inc.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**73-1590941**  
(I.R.S. Employer  
Identification No.)

**701 Cedar Lake Boulevard**  
**Oklahoma City, Oklahoma**  
(Address of principal executive offices)

**73114**  
(Zip code)

**(405) 478-8770**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of class</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value, \$0.01 per share	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:  
None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not

contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 29, 2018, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A common stock held by non-affiliates was \$580.1 million. As of June 30, 2018, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Class B common stock held by non-affiliates was not determinable as such shares are privately held and there is no public market for such shares.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

Number of shares outstanding of each of the issuer's classes of common stock as of April 24, 2019:

<u>Class</u>	<u>Number of shares</u>
<b>Class A Common Stock, \$0.01 par value</b>	<b>46,341,222</b>

**Documents incorporated by reference:**

Certain exhibits previously filed with the Securities and Exchange Commission are incorporated by reference into Part IV of this report.

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### **Explanatory Note**

This Amendment No. 1 to Form 10-K (this “Form 10-K/A”) amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 originally filed with the Securities and Exchange Commission (the “SEC”) on March 14, 2019 (the “Original Report”) by Chaparral Energy, Inc. (the “Company,” “we,” “our” or “us”). We are filing this Form 10-K/A to present the information required by Part III of the Form 10-K as we will not file a definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2018. Terms previously defined in the Original Report have the same meanings in this Form 10-K/A.

Pursuant to the rules of the SEC, Part IV, Item 15 has also been amended to contain the currently dated certifications from the Company’s principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of the Company’s principal executive officer and principal financial officer are attached to this 10-K/A as Exhibits 31.1 and 31.2, respectively. Because no financial statements have been included in this 10-K/A and this 10-K/A does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. Additionally, we are not including the certificate under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Form 10-K/A.

Except as described above, no other changes have been made to the Original Report. Other than the information specifically amended and restated herein, this Form 10-K/A does not reflect events occurring after March 14, 2019, the date of the Original Report, or modify or update those disclosures that may have been affected by subsequent events. Accordingly, this Form 10-K/A should be read in conjunction with our Original Report and our other filings made with the SEC subsequent to the filing of the Original Report.

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CHAPARRAL ENERGY, INC.

AMENDMENT NO. 1 TO ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED  
December 31, 2018

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**PART III**

On May 9, 2016 (the “Petition Date”), Chaparral Energy, Inc. (“Chaparral” or the “Company”) and its subsidiaries, including Chaparral Energy, L.L.C., Chaparral Resources, L.L.C., Chaparral Real Estate, L.L.C., Chaparral CO2, L.L.C., CEI Pipeline, L.L.C., CEI Acquisition, L.L.C., Green Country Supply, Inc., Chaparral Biofuels, L.L.C., Chaparral Exploration, L.L.C. and Roadrunner Drilling, L.L.C. (collectively with Chaparral, the “Debtors”), filed voluntary petitions seeking relief under Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) commencing cases for relief under chapter 11 of the Bankruptcy Code. On March 10, 2017, the Bankruptcy Court confirmed the First Amended Joint Plan of Reorganization for the Debtors under Chapter 11 of the Bankruptcy Code (the “Reorganization Plan”), and on March 21, 2017 (the “Effective Date”), the Reorganization Plan became effective and we emerged from bankruptcy.

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

**Executive Officers and Directors**

The following table provides information regarding our current executive officers and board of directors (the “Board”):

<u>Name</u>	<u>Age</u>	<u>Position</u>
K. Earl Reynolds	58	Chief Executive Officer and Director
Scott Pittman	43	Chief Financial Officer and Senior Vice President
James M. Miller	56	Sr. Vice President—Operations
Mark Ver Hoeve	64	Vice President—Geoscience
Clint Calhoun	41	Vice President—Resource Development
Josh Walker	42	Vice President—Completions & Operations
Stephanie Carnes	42	Vice President—Corporate Controller
Justin Byrne	44	Vice President—General Counsel and Secretary
Robert F. Heinemann	66	Director, Chairman
Douglas E. Brooks	60	Director
Matthew D. Cabell	61	Director
Samuel Langford	61	Director
Kenneth W. Moore	49	Director
Marcus C. Rowland	66	Director
Gysle Shellum	67	Director

**K. Earl Reynolds**

**Chief Executive Officer, Director**

K. Earl Reynolds joined Chaparral in 2011 as an executive vice president and chief operating officer before being named as the company’s president in 2014 and its chief executive officer in 2017. From 2000 to 2010, Mr. Reynolds led the International Business Unit and was actively involved in strategic planning for Devon Energy, most recently serving as senior vice president of strategic development, where he was responsible for strategic planning, budgeting, coordination of acquisitions and divestitures, and oversight of the company’s assessment of oil and gas reserves.

Prior to Devon, Mr. Reynolds’ career included several key leadership roles in domestic and international operations with companies such as Burlington Resources and Mobil Oil.

Mr. Reynolds has served on the board of directors for several nonprofit organizations in Houston and Oklahoma City. He currently sits on the board of directors for the Oklahoma City YMCA and the Oklahoma Independent Petroleum Association, where he serves as the Chairman of its Legislative Committee. Mr. Reynolds holds a Master of Science degree in petroleum engineering from the University of Houston and a Bachelor of Science degree in petroleum engineering from Mississippi State University. In 2013 he was named as a Distinguished Fellow of the Mississippi State University Bagley College of Engineering.

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**Scott Pittman**

**Chief Financial Officer and Sr. Vice President**

Scott Pittman joined Chaparral on February 11, 2019, and was subsequently appointed as chief financial officer and senior vice president of the Company, effective March 16, 2019. Prior to joining Chaparral, Mr. Pittman served as the chief financial officer of Ursa Resources Group and Aethon Energy Management. Prior to that time, Mr. Pittman served as vice president of finance for Cobalt International Energy. From 2005 to 2014, he worked at J.P. Morgan Securities Inc. covering exploration and production, with a focus on mergers and acquisitions, capital raising and commercial lending. Before joining J.P. Morgan, Mr. Pittman served as a captain in the United States Marine Corps, where he served two tours of duty. Mr. Pittman holds a Bachelor's degree in business administration from the University of Oklahoma and a Master's degree in business administration from the University of Texas at Austin.

**James M. Miller**

**Sr. Vice President - Operations**

James M. Miller joined Chaparral in 1996 as its operations engineer. Since joining the Company, Mr. Miller has been promoted to positions of increasing responsibility and currently oversees the company's production and completion operations as senior vice president of operations.

Prior to joining Chaparral, Mr. Miller worked for KEPCO Operating Inc. as a petroleum engineer. From 1987 to 1995, he was employed by Robert A. Mason Production Co. as a petroleum engineer and later as vice president of production.

He is a member of the Society of Petroleum Engineers and the American Petroleum Institute. Mr. Miller attended the University of Oklahoma and received a Bachelor of Science degree in petroleum engineering.

**Mark Ver Hoeve**

**Vice President - Geoscience**

Mark Ver Hoeve joined Chaparral in 2017 as vice president of geoscience, overseeing the Company's geoscience team.

Prior to joining Chaparral, Mr. Ver Hoeve served as vice president of exploration and development for Discovery Natural Resources, where he was responsible for leading the development of the company's Midland Basin properties. From 2006 to 2016 he was a manager of new venture exploration at Cimarex Energy Co. Before Cimarex, Mr. Ver Hoeve's career included several key geological leadership roles at EOG Resources, Vastar Resources and Atlantic Richfield Company (ARCO).

Mr. Ver Hoeve has served on several nonprofit and industry organization boards and is currently the president of the University of Texas at Austin Jackson School of Geoscience Friends and Alumni Network Board. He holds a Bachelor of Arts degree in geology from the University of Wisconsin-Madison and a Master of Science degree in geology from the University of Texas-Austin.

**Clint Calhoun**

**Vice President - Resource Development**

Clint Calhoun joined Chaparral in 2019 as vice president of resource development. Before joining the Company, Mr. Calhoun co-founded the Merge- and SCOOP-focused Travis Peak Resources in 2013, where he served as vice president of engineering and was responsible for providing assessment and development strategy, budgeting and management of day-to-day operations for its Appalachia and Mid-Continent assets. Prior to that time, Mr. Calhoun worked for Newfield Exploration Company in a number of positions of increasing importance, including as a production and reservoir engineer, as well as an asset lead and asset manager of its active Mid-Continent resource plays.

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Mr. Calhoun holds a Bachelor of Science degree in petroleum engineering from the University of Texas at Austin.

**Josh Walker**

**Vice President - Completions & Operations**

Josh Walker joined Chaparral in 2018 as vice president of completions and operations.

Before joining Chaparral, Mr. Walker served as the innovation manager at Chesapeake Energy, where he assembled and led a team focused on operations research and development, new and emerging technologies and data analytics. While at Chesapeake, Mr. Walker also served as the completions manager for the company's Mid-Continent, Eagle Ford, Utica and Marcellus plays, as well as in various other operational roles.

Prior to that time, Mr. Walker worked for Legend Natural Gas as a drilling, completions and production engineer and Anadarko Petroleum where he held a number of operations positions of increasing importance.

Mr. Walker holds a Bachelor of Science degree in petroleum engineering from the University of Oklahoma and an Executive MBA in energy from the University of Oklahoma's Price College of Business.

**Stephanie Carnes**

**Vice President - Corporate Controller**

Stephanie Carnes joined Chaparral in 2012 and has held various leadership roles, including internal and external reporting, corporate, operations and tax accounting, as well as assistant controller and financial reporting director before being named as a vice president and corporate controller.

Prior to joining Chaparral, Ms. Carnes held various financial and regulatory reporting, international finance and operations positions with increasing responsibility working for large organizations, such as SERVA Group, L Brands, Ernst & Young and PricewaterhouseCoopers. Ms. Carnes has more than 17 years of experience in areas including financial reporting, business planning and development, organizational design and restructuring, team development and leadership, and strategic planning.

Ms. Carnes holds Bachelor and Master of Accounting degrees from Oklahoma State University.

**Justin Byrne**

**Vice President - General Counsel and Secretary**

Justin Byrne joined Chaparral in 2019 as vice president, general counsel and secretary. Prior to joining the Company, Mr. Byrne worked in the private law practice of Hall, Estill, Hardwick, Gable, Golden and Nelson, P.C.

From 2008 to 2016, Mr. Byrne worked at SandRidge Energy, where he served as associate general counsel and assistant corporate secretary. Before that time, he was counsel at Devon Energy and Kerr-McGee Corporation after beginning his career with the firm of Hughes & Luce, L.L.P.

Mr. Byrne holds a Doctor of Jurisprudence from the University of Texas School of Law and a Bachelor of Arts degree in history from the University of Tulsa. He is a member of both the Oklahoma and Texas State Bars and has served on a number of charitable boards.

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**Robert F. Heinemann**

**Director and Chairman of the Board**

Robert F. Heinemann was named to Chaparral's Board in 2017. From 2002 to 2013, Mr. Heinemann worked for Berry Petroleum Company, serving as a director and then as the president and chief executive officer for the last nine years of his tenure. Prior to that time, he was employed at Halliburton Company and Mobil Exploration and Producing, as well as various other Mobil entities, in positions of increasing responsibility.

Mr. Heinemann currently serves on the board for several other energy companies, including Crescent Point Energy Corporation, Crestone Peak Resources, L.L.C. and Great Western Oil and Gas Company, L.L.C., where he was the chairman from 2014 to 2016. He has also previously served on the board for Yates Petroleum Corporation until its merger in late 2016 and as chairman of the board for C12 Energy, L.L.C. Mr. Heinemann holds Bachelor of Engineering and PhD degrees in chemical engineering from Vanderbilt University.

**Douglas E. Brooks**

**Director**

Douglas E. Brooks joined Chaparral's Board in 2017. Mr. Brooks served as the president and chief executive officer of Energy XXI Gulf Coast, Inc., an offshore Gulf of Mexico exploration and production company, from April 2017 until it was acquired by an affiliate of Cox Oil LLC in October 2018. Prior to joining the Board, Mr. Brooks served as the president and chief executive officer of Yates Petroleum, a privately owned exploration and production company focused on the Delaware and Powder River basins, which merged with EOG Resources; and, Aurora Oil & Gas Limited, a publicly owned Australian based exploration and production company focused on the Eagle Ford formation in South Texas, which merged with Baytex Energy Corp. Before that time, he served as a senior vice president at Forest Oil Corporation. Mr. Brooks has also built two private equity-sponsored firms focused on unconventional resource projects in the western U.S. Mr. Brooks spent 24 years with Marathon Oil Company in roles of increasing responsibility, lastly as the director of upstream mergers and acquisitions and business development for the Americas.

Prior board experience includes Energy XXI Gulf Coast, Inc., Yates Petroleum, Aurora Oil & Gas Ltd., and Madalena Energy in Canada. He is currently a private investor and serves as an adviser for Hart Energy's A&D Watch, a global energy research publication. Mr. Brooks holds a Bachelor of Science degree in business management from the University of Wyoming - Casper and a Masters of Business Administration, Finance from Our Lady of the Lake University in Texas.

**Matthew D. Cabell**

**Director**

Matthew D. Cabell joined Chaparral's Board in 2017. Mr. Cabell retired from Seneca Resources in 2016, where he had served as its president since 2006. Prior to that time, he was as an executive vice president and general manager at Marubeni Oil & Gas, USA, and held various roles in the exploration and production segments of Texaco and Amerada Hess Corporation.

Mr. Cabell currently serves as an advisor to KKR. He has also previously served as a member of the board for the American Exploration and Production Council and America's Natural Gas Alliance. Mr. Cabell earned a Bachelor of Science degree in geology from the University of Michigan and his Masters of Business Administration from Cornell University's Johnson Graduate School of Management.

**Samuel Langford**

**Director**

Samuel Langford was named to Chaparral's Board in 2017. Mr. Langford continues to serve as the principal for Langford Upstream Advisory, L.L.C., a position he has held since 2013. Prior to Langford, he spent eight years working in positions of growing responsibility at Newfield Exploration, including roles as the company's vice president of corporate development, general manager for its Mid-Continent Business Unit and senior corporate advisor. Before joining Newfield, Mr. Langford spent time at Cockrell Oil Corporation, British Gas E&P, Tenneco Inc., Tenneco Oil Co. and Exxon USA.

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Mr. Langford currently serves as an advisor to Silver Point Capital, L.P. He also is currently a member of the board of directors for Basic Energy Services. He received his Bachelor of Science degree in mechanical engineering from Auburn University.

### **Kenneth W. Moore**

#### **Director**

Kenneth W. Moore joined Chaparral's Board in 2017. Mr. Moore is currently the president of KWM Advisors, L.L.C., a position he has held since 2016. From 2004 to 2015, he served as a managing director at First Reserve Corporation, a global private equity firm, which invests exclusively in the energy industry. Prior to that time, Mr. Moore served as a vice president at Morgan Stanley New York and as a director for Enstar Group Limited, Chart Industries, Inc. and Dresser-Rand Group Inc.

Mr. Moore is currently a member of the board of directors for Peabody Energy and SEAL Legacy Foundation. He has also previously served on several other boards, including those for Enstar Group Limited, Dresser-Rand Group, Inc. and Chart Industries, Inc. Mr. Moore graduated from Tufts University with a Bachelor of Arts degree in English and received his Master of Business Administration from Cornell University.

### **Marcus C. Rowland**

#### **Director**

Marc Rowland joined Chaparral's Board in April 2019, pursuant to the terms of the Company's support agreement with Strategic Value Partners, LLC ("SVP") and certain funds and accounts managed by SVP (the "SVP Support Agreement"), pursuant to which SVP had the right to designate a director on the Board. Mr. Rowland is the founder and currently senior managing director of IOG Capital, LP where he leads such company's investment team and has served in the position since 2014. Previously, Mr. Rowland served as the chief executive officer at FTS International, Inc. (formerly Frac Tech International, LLC) from May 2011 through November 2012, and as the president and chief financial officer of Frac Tech Services, LLC and Frac Tech International, LLC from November 2010 to May 2011. Mr. Rowland served as the chief financial officer or equivalent positions of Chesapeake Energy Corporation from 1993, when the company became publicly traded, until October 2010, leaving in the position of executive vice president and chief financial officer. Prior to that, Mr. Rowland served as chief operating officer of Anglo-Suisse, LP from 1990 to 1992.

Mr. Rowland has served as a director on the boards of a number of public and private companies including as chairman of the board for SilverBow Resources from 2016 to the present, Mitcham Industries, Inc. from 2015 to the present, Warren Resources, Inc. from 2012 to 2016, Chesapeake Midstream Partners from 2010 to 2011. He is an alumnus of Wichita State University.

### **Gysle Shellum**

#### **Director**

Gysle Shellum was named to Chaparral's Board in 2017. Mr. Shellum previously served as the chief financial officer of PDC Energy, Inc. from 2008 until his retirement in 2016. Prior to that time, he was the vice president of finance at Crosstex Energy, L.P. (now EnLink Midstream, L.L.C.). Mr. Shellum previously held senior financial positions in a number of E & P companies subsequent to starting his career in public accounting with Arthur Andersen & Co. in Dallas, Texas

Mr. Shellum served as an at-large director for the Independent Petroleum Association of America in 2016 & 2017 and served on the University of Colorado Global Energy Management Graduate Program's Advisory Council until his retirement. He received his Bachelor of Arts in accounting from the University of Texas at Arlington.

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### **Joseph O. Evans**

#### **Former Chief Financial Officer**

Mr. Evans joined Chaparral in 2005 as chief financial officer and executive vice president. Mr. Evans retired from the Company on March 15, 2019. The terms of his separation are discussed below under “Item 11. Executive Compensation—Principal Financial Officer’s Separation and Release Agreement.”

#### ***Director Independence***

Our Board is subject to the independence standards under the New York Stock Exchange (the “NYSE”). The NYSE’s definition of independence includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings involving the Company, which would prevent a director from being independent. The Board has determined that Messrs. Shellum, Moore, Langford, Brooks, Cabell, Heinemann and Rowland are independent under the NYSE and SEC rules for purposes of service on the Board. Messrs. Geenberg and Morris, each of whom served on the Board for part of the 2018 fiscal year and resigned from our Board effective March 11, 2019, were also determined by our Board to have been independent under the NYSE independence standards.

#### ***Board Committees***

The Board has the following three standing committees comprised of non-employee directors: the Audit Committee, the Compensation Committee and the Nominating & Governance Committee. Each of these committees is governed by a charter adopted by the Board. These charters establish the purposes of the respective committees as well as committee membership guidelines. They also define the authority, responsibilities and procedures of each committee in relation to the committee’s role in supporting the Board and assisting the Board in discharging its duties in supervising and governing the Company. The charters for each of our committees can be found on our website at [www.chaparralenergy.com](http://www.chaparralenergy.com).

The Audit Committee consists of Messrs. Shellum (Chair), Moore and Langford, each of whom is independent under the rules of the SEC and the NYSE. The Board has determined that Mr. Shellum satisfies the definition of “audit committee financial expert.”

The Audit Committee oversees, reviews, acts on and reports on various auditing and accounting matters to the Board, including the selection of our independent registered public accounting firm, the scope of our annual audits, fees to be paid to the independent registered public accounting firm, the performance of our independent registered public accounting firm and our accounting practices. In addition, the Audit Committee oversees our compliance programs relating to legal and regulatory requirements. The Audit Committee has the power to delegate any of its authority to subcommittees or to individual members of the Audit Committee as it deems appropriate.

The Compensation Committee currently consists of Messrs. Cabell (Chair), Brooks and Langford, each of whom is independent under the rules of the SEC and the NYSE. The Compensation Committee approves salaries, incentives and other forms of compensation for officers and other employees. The Compensation Committee also administers our incentive compensation and benefit plans. The Compensation Committee has the power to delegate any of its authority to subcommittees or to individual members of the Compensation Committee as it deems appropriate.

The Nominating & Governance Committee consists of Messrs. Moore (Chair), Cabell and Brooks, each of whom is independent under the rules of the SEC and the NYSE. The Nominating & Governance Committee identifies, evaluates and recommends qualified nominees to serve on the Board, develops and oversees our internal corporate governance processes and maintains a management succession plan. The Nominating & Governance Committee has the power to delegate any of its authority to subcommittees or to individual members of the Nominating & Governance Committee as it deems appropriate.

#### ***Code of Ethics***

We have adopted a Code of Business Conduct and Ethics that is applicable to all employees, officers and members of our Board. The Code of Business Conduct and Ethics is available on our website at [www.chaparralenergy.com](http://www.chaparralenergy.com).

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**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who beneficially own more than 10% of our Class A common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our Class A common stock. Directors, executive officers and more than 10% shareholders are required by SEC regulations to provide us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of the reports furnished to us and written representations that no other reports were required, all Section 16(a) filing requirements applicable to our directors, officers and more than 10% beneficial owners were complied with during the year ended December 31, 2018 except for a late filing of a Form 3 by Contrarian Capital Management, L.L.C. of its deemed status as a director by deputization upon the appointment of Graham Morris to our Board on August 9, 2018. The Form 3 was subsequently filed.

**ITEM 11. EXECUTIVE COMPENSATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

**Principal and Named Executive Officers**

This Compensation Discussion and Analysis describes the material elements of our executive compensation program for our principal executive officer, principal financial officer and three other most highly compensated executive officers during 2018 (collectively, our “named executive officers” or “NEOs”). This section also describes the objectives, principles and policies underlying our executive compensation program for our named executive officers, the compensation decisions we have made under that program, and the factors considered in making those decisions. Our named executive officers for 2018 are:

- K. Earl Reynolds, Chief Executive Officer
- Joseph O. Evans, Former Chief Financial Officer and Executive Vice President
- James M. Miller, Senior Vice President-Operations
- Mark Ver Hoeve, Vice President-Geoscience
- Josh Walker, Vice President-Completions & Operations

**Compensation Philosophy and Objectives**

Our executive compensation program is designed to achieve the following objectives:

- drive and reward performance that supports our core values and business strategies;
- provide a clear and direct relationship between executive pay and our performance on both a short- and long-term basis;
- align executive pay to measures that drive stockholder returns; and
- design competitive total compensation and rewards programs to enhance our ability to attract and retain knowledgeable and experienced executive officers.

**Program Highlights**

The following chart highlights several features of our compensation program and practices:

<u>What We Do</u>	<u>What We Do Not Do</u>
Provide significant portion of compensation in variable and at-risk elements	No single-trigger cash severance upon a change-in-control
Policy prohibiting hedging of Company stock	No tax gross-ups for severance or change-in control benefits
Evaluate officer compensation levels against a peer group of similarly sized exploration and production companies	No guaranteed bonuses
Payouts under our annual and long-term incentive plans are capped at a maximum opportunity	No excessive perquisites
Utilize independent compensation consultant	No repricing of stock options without stockholder approval

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### **Establishing Executive Compensation**

*Role of the Compensation Committee.* The Compensation Committee oversees the executive compensation program and has overall responsibility for making final decisions about total compensation for the named executive officers, including cash and equity awards. In that regard, the Compensation Committee reviews, establishes, evaluates and approves the agreements, plans and policies of the Company to compensate both corporate officers and directors.

*Role of the NEOs.* With respect to the compensation of the named executive officers other than our Chief Executive Officer, the Compensation Committee evaluates the individual performance of each named executive officer and considers the recommendations of our Chief Executive Officer, as well. Additionally, in light of our named executive officers' integral role in executing the Company's overall operational and financial objectives, the Compensation Committee solicits their feedback when establishing the goals for the qualitative and quantitative performance metrics used in our short-term cash incentive program. In addition, the Compensation Committee may invite any named executive officer to attend Compensation Committee meetings to report on the Company's progress with respect to the annual quantitative and qualitative performance metrics, but any such officer is excluded from any discussions or decisions regarding his individual compensation.

*Independent Compensation Consultant.* The Compensation Committee engaged Meridian Compensation Partners LLC ("Meridian"), as its independent compensation consultant. Meridian provides advice to and works with the Compensation Committee in designing and implementing the structure and mechanics of the Company's executive compensation program as well as other matters related to officer and director compensation and corporate governance. Meridian provides the Compensation Committee with relevant data, including market and peer-company compensation, information and advice regarding recent trends and developments in executive and director compensation practices. This information assists the Compensation Committee in making executive and director compensation decisions based on market pay levels and best practices.

Meridian reports directly and exclusively to the Compensation Committee and does not provide any other services to management, the Company or its affiliates. Meridian does not make compensation-related decisions for the Compensation Committee or otherwise with respect to the Company, and, while the Compensation Committee generally reviews and considers information and recommendations provided by Meridian, the Compensation Committee has the final authority to make compensation-related decisions. The Compensation Committee has the discretion to allow Meridian to work directly with management in preparing or reviewing materials for the Compensation Committee's consideration. During 2018, and after taking into consideration the factors listed in Section 303A.05(c)(iv) of the New York Stock Exchange ("NYSE") Listed Company Manual, the Compensation Committee concluded that neither it nor the Company has relationship with Meridian that poses a conflict of interest, and that Meridian is independent from management. Other than Meridian, no other compensation consultants provided services to the Compensation Committee during 2018.

*Peer Group Analysis.* The Compensation Committee utilizes a peer group prepared in collaboration with Meridian of identified companies that are of comparable size (revenue and market capitalization), enterprise value, industry affiliation, and/or other similar characteristics (operational profile, asset portfolio, recent emergence from bankruptcy, etc.). In 2018, the peer group consisted of the following companies:

Alta Mesa Resources, Inc.	Halcon Resources Corporation	SandRidge Energy, Inc.
Bonanza Creek Energy, Inc.	Jagged Peak Energy, Inc.	SRC Energy Inc.
Callon Petroleum Company	Laredo Petroleum, Inc.	Wild Horse Resource Development Corporation
Extraction Oil & Gas, Inc.	Midstates Petroleum Company, Inc.	
Gastar Exploration, Inc.	Penn Virginia Corporation	
Gulfport Energy Corporation	Resolute Energy Corporation	

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*Pay Decisions.* In determining target total compensation for our executives, the Compensation Committee takes into consideration competitive market pay levels in our peer group along with other relevant factors for each individual officer, which may include:

- (i) leadership, retention and succession planning;
- (ii) performance of the individual and the business;
- (iii) development and implementation of initiatives that provide long-term stockholder value;
- (iv) accomplishment of strategic objectives approved by the Compensation Committee;
- (v) evaluation of external factors involving competitive positioning, general economic conditions and marketplace compensation trends.

### **Executive Compensation Components**

Our executive compensation program is composed of base salary, annual incentive awards, and long-term equity-based compensation.

To align pay levels for our executives with the Company's performance, our pay combination places the greatest emphasis on performance-based incentives. The Compensation Committee believe that the proportion of any employee's total direct compensation that varies based on performance should increase as the scope of an employee's ability to influence our results increases. Because executive officers have the greatest influence over our results, a significant portion of their overall compensation consists of annual incentive awards and long-term equity awards that vary based on performance. This practice is consistent with norms in the oil and natural gas industry.

In 2017, Compensation decisions made by the Compensation Committee during its 2017 meetings resulted in awards heavily weighted in favor of components subject to performance-related variability, with annual incentive awards and long-term equity-based compensation representing approximately 88% of the estimated value of total direct compensation awarded to the CEO and an average of approximately 81% for the other NEOs as shown in the Summary Compensation Table in this annual report.

The long-term equity-based compensation granted in 2017 was front-loaded with the intent that no additional grants would be made over the 3-year vesting period. As a result, no additional grants were made in 2018, apart from a grant made to Mr. Walker, who commenced employment with the Company that year. In connection with the Compensation Committee's re-evaluation of the grant made to Mr. Ver Hoeve in 2017 in light of market conditions, the Compensation Committee approved of an additional grant to Mr. Ver Hoeve in late 2018, which was made in early 2019. As a result of the front-loading of grants in 2017, performance-related compensation officially provided in 2018 represented 53% of the value of total direct compensation awarded to the CEO and an average of approximately 51% for the other NEOs as shown in the Summary Compensation Table in this annual report. However, when one-third of the front-loaded long-term equity-based compensation actually granted in 2017 is allocated to 2018, performance-related compensation represented 88% of the value of total direct compensation awarded to the CEO and an average of approximately 75% for the other NEOs.

### **Base Salary**

Annual salary increases are not automatic or guaranteed. Upon approval of the Compensation Committee, our CEO, Mr. Reynolds, received an 8% increase in annual base salary (\$530,424 to \$572,858) on May 15, 2017, to reflect his promotion to President and CEO. Mr. Reynolds' base salary remained unchanged for 2018. The base salaries for the other NEOs also remained unchanged in 2018. The salaries paid to the named executive officers in 2018 are set forth below, on an annualized basis for Mr. Walker who joined during the year.

<i><u>Named Executive Officer</u></i>	<i><u>Annual Salary</u></i>
K. Earl Reynolds	\$ 572,858
Joseph O. Evans	\$ 448,914
James M. Miller	\$ 391,540
Mark Ver Hoeve	\$ 330,000
Josh Walker	\$ 290,000

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**Annual Incentive Awards**

In 2011, we created an incentive program called the Annual Incentive Measure (“AIM”) bonus program, which contemplates the payment of cash bonus awards to eligible employees when the Company achieves certain performance measures on a Company-wide basis. Annually, the Board exercises its discretion whether to employ the AIM program after considering factors such as the Company’s liquidity and industry conditions. Amounts payable under the AIM program are tied to the approved Company budget and to certain individual, departmental, and business unit measures, including, but not limited to, employees who reach individual performance goals and contribute positively to their respective business units and the Company’s goals and objectives. The targets for individual awards, which are set forth below for named executive officers, are expressed as a percentage of an employee’s eligible earnings for the plan year and are based on pay grade and level of responsibility.

<u>Named Executive Officer</u>	<u>AIM Target (as a percentage of base salary)</u>
K. Earl Reynolds	100%
Joseph O. Evans	80%
James M. Miller	70%
Mark Ver Hoeve	60%
Josh Walker	55%

The Company’s performance with respect to measurable Company-wide metrics adopted by the Compensation Committee for a given year establishes the cash pool from which payments may be made to all AIM program participants in such year (the “Total AIM Pool”). On a metric-by-metric basis, certain minimum performance must be achieved to fund 50% of that portion of the Total AIM Pool associated with such metric. Performance at the target goal will fund 100% of that part of the Total AIM Pool tied to such metric, and performance meeting or exceeding a maximum goal for such metric will result in the funding of up to 200% of that portion of the Total AIM Pool linked to such metric. In the case of each metric, performance between the minimum and target goals, or between the target and maximum goals, produces Total AIM Pool funding using interpolative calculations or reasoning.

Once the Total AIM Pool has been calculated, 50% of it is paid to AIM program participants, including executive officers, on a pro rata basis according to their respective AIM targets. Up to the remaining 50% of the Total AIM Pool is paid to AIM program participants based on an evaluation of their individual performance during the applicable year. In the case of named executive officers, this evaluation is done by the Compensation Committee, with the input of Mr. Reynolds for named executive officers other than himself.

Each 2018 AIM Performance Metric and its weighting, minimum threshold, target, and maximum, together with its actual result from the Company’s 2018 performance, is indicated in the table below.

<u>2018 AIM Performance Metric</u>	<u>Goal Weighting</u>	<u>Threshold 50%</u>	<u>Target 100%</u>	<u>Maximum 200%</u>	<u>2018 Actuals</u>	<u>Bonus Payout Percent</u>
EBITDA (\$mm)	20%	\$ 107	\$ 119	\$ 142	\$ 125	23%
Production Volume (Boe/d)	15%	17,220	18,157	19,973	20,521	30%
Capital Efficiency	25%	30%	45%	75%	36%	18%
Lease Operating Expenses (\$/Boe)	10%	\$ 8.03	\$ 7.65	\$ 6.88	\$ 7.24	15%
General and Administrative Expenses (\$/Boe)	10%	\$ 4.70	\$ 4.47	\$ 4.02	\$ 3.73	20%
Safety & Environment Incident Rate	20%	42.04	36.44	28.80	33.80	10%
<b>Total</b>	<b>100%</b>					<b>116%</b>

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As noted in the table above, in 2018, Company performance related to the above described metrics resulted in a Total AIM Pool available for payment under the AIM program of 116% of target awards. The Company's named executive officers received 112% of target awards.

### **Long-Term Equity-Based Compensation**

Since our emergence from bankruptcy and the related recapitalization of the company, award grants to our executives have been in the form of restricted stock awards that are subject to service vesting conditions (the "Time Shares") and performance vesting conditions (the "Performance Shares"). Time Shares constitute 75% of award grants, and Performance Shares comprise 25% of award grants. As described above, the long-term equity-based compensation granted in 2017 was front-loaded with the intent that no additional grants would be made over the 3-year vesting period. Therefore, no additional grants were made in 2018, except for a grant made to Mr. Walker, who commenced employment with the Company that year. The table below sets forth, in the case of Mr. Walker, the number of Time Shares and the target number of Performance Shares granted to him in 2018 and one-third of the Time Shares and the target number of Performance Shares granted to all other named executive officers on a front-loaded basis in 2017.

<u>Named Executive Officer</u>	<u>Time Shares (granted in or allocated to 2018)</u>	<u>Target Performance Shares (granted in or allocated to 2018)</u>
K. Earl Reynolds	131,198	43,733
Joseph O. Evans	57,003	19,001
James M. Miller	57,003	19,001
Mark Ver Hoeve	13,750	4,583
Josh Walker	41,250	13,750

Time Shares are subject to vesting over three annual installments. Performance Shares vest in three tranches over three calendar years according to performance conditions established each year. The performance conditions for a given year are unique to that year and vesting with respect to performance conditions for a given year is independent of the vesting with respect to other years. As a result, the requisite service period for each of the three tranches of Performance Shares relate to the individual year for which performance is measured and do not overlap. When Performance Shares are awarded, the vesting conditions for the second and third tranches of the award, which are associated with future fiscal years, are typically not yet established at the time of the award. Performance Shares related to 2018 performance conditions vested according to the accomplishment of multiple conditions as disclosed in the table below. The accomplishment of an individual condition resulted in vesting of shares that was independent of vesting with respect to the other conditions (i.e. simultaneous accomplishment of multiple conditions was not required for vesting). Likewise, similar to the AIM program, with respect to each weighted condition, performance meeting a minimum standard is required and, when met, results in the vesting of 50% of the Performance Shares associated with such condition, and performance exceeding the target and up to a maximum goal can result in the vesting of up to 150% of the Performance Shares linked to such condition. In the case of each condition, interpolative calculations or reasoning are used to calculate the number of Performance Shares that vest when performance is between the minimum and target goals, or between the target and maximum goals.

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<b>2018 Performance Condition</b>	<b>Weight</b>	<b>Performance Based Vesting Percentage</b>
Peer Group Relative Performance Share – Price performance relative to a group of identified peers (1)	20%	0%
Return on Capital Effectiveness – Ratio of EBITDA to average plant, property and equipment	20%	22.8%
Appraisal of certain leasehold acreage – Drilling and completing a certain number of wells that meet or exceed estimated threshold rates of return	30%	40.9%
Board discretion – Consideration of multiple factors including but not limited to non-core asset sales, investor relations effectiveness, managing corporate risk, internal controls and up-listing to a national securities exchange	30%	25%
<b>Total</b>	<b>100%</b>	<b>88.7%</b>

- (1) Peer included in this metric for 2018 were: Alta Mesa Resources, Callon Petroleum, Extraction Oil & Gas, Gastar Exploration, Halcon Resources, Jagged Peak Energy, Jones Energy, Penn Virginia, Resolute Energy, SandRidge Energy, SRC Energy, and WildHorse Resource Development.

### **Health and Wellness and Retirement Benefits**

We offer a variety of health and wellness and retirement programs to all eligible employees. Our executive officers are eligible for the same benefit programs on the same basis as the rest of our employees. The health and wellness programs are intended to protect employees against catastrophic loss and encourage a healthy lifestyle. Our health and wellness programs include medical under a preferred provider option or high deductible plan, as well as pharmacy, dental, and vision plans. We also offer life insurance, as well as supplemental life insurance policies. Employees may also contribute pre-tax funds into flexible spending plans and health savings accounts.

We offer employees, including our named executive officers, the opportunity to make investments in our 401(k) Profit Sharing Plan, which is intended to supplement the employee's personal savings and social security. Executive officers participate in the 401(k) plan on the same basis as other employees. The 401(k) plan allows eligible employees to elect to contribute from 1% to 60% of their eligible compensation, up to the annual IRS dollar limit. The Company matches employee contributions at a rate of \$1.00 per \$1.00 for the first 7% of the employee's eligible compensation. Company contributions vest as follows:

<b>Years of Service for Vesting</b>	<b>Percentage</b>
1	33%
2	33%
3	34%

### **Employment Agreements**

As of December 31, 2018, we had employment agreements in place with Messrs. Reynolds, Evans and Miller. Mr. Evans retired from the Company effective March 15, 2019 and as a result, his employment agreement is no longer in effect. See "Principal Financial Officer's Separation and Release Agreement," for information regarding Mr. Evans's severance arrangement.

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The initial term of the employment agreements are three years, each with an automatic two-year renewal and automatic annual renewals thereafter. The employment agreements provided our NEOs the following compensation arrangements:

<u>Name</u>	<u>Effective Date</u>	<u>Minimum Base Salary</u>	<u>Target Annual AIM Bonus (as a % of Base)</u>
K. Earl Reynolds	March 21, 2017	\$ 530,424	100%
Joseph O. Evans (1)	March 21, 2017	448,914	80%
James M. Miller	March 21, 2017	391,540	70%

- (1) Mr. Evans retired from the Company on March 15, 2019, and received severance benefits pursuant to a Separation and Release Agreement (the "Separation Agreement"), as described in the subsequent section "Principal Financial Officer's Separation and Release Agreement."

Each NEO participates in our wellness benefit plans and fringe benefit, vacation and expense reimbursement policies. Each employment agreement provides for certain payments in the event of an NEO's termination. The termination payments are discussed below under the heading "Potential Payments Upon Termination or Change of Control." Each employment agreement contains certain restrictive covenants that generally prohibit our NEOs from (i) disclosing information that is confidential to us and our subsidiaries and (ii) during the employment term and for each NEO, a period of months equal to the product of 12 times the severance multiple of that NEO, as described below, thereafter, from soliciting or hiring our employees and those of our subsidiaries or soliciting our customers.

### **Compensation Committee Report**

The Compensation Committee has reviewed and discussed the above Compensation Discussion and Analysis with management and, based on such review and discussions, recommended to the Board that the Compensation Discussion and Analysis be included in this Amendment No. 1 to Annual Report on Form 10-K.

Respectfully submitted by the Compensation Committee of the Board,

Matthew D. Cabell (Chair)  
Douglas E. Brooks  
Samuel Langford

### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee is comprised of Messrs. Cabell, Brooks, and Langford. Mr. Cabell has served as Chair of the committee since April 1, 2018. None of our executive officers serves on the board of directors or compensation committee of a company that has an executive officer that serves on our Board or Compensation Committee. No member of our Board is an executive officer of a company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

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**Summary Compensation Table**

The following table below summarizes the total compensation paid to or earned by each of the NEOs for the fiscal years ended December 31, 2018, 2017, and 2016.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus \$(1)</u>	<u>Stock awards \$(2)</u>	<u>All other compensation \$(3)</u>	<u>Total (\$)</u>
K. Earl Reynolds Chief Executive Officer	2018	\$572,858	\$641,600	\$ —	\$ 42,597	\$ 1,257,055
	2017	556,537	505,449	10,522,080	38,212	11,622,278
	2016	530,424	563,310	—	40,725	1,134,459
James M. Miller Senior Vice President-Operations	2018	\$391,540	\$306,967	\$ —	\$ 61,144	\$ 759,651
	2017	391,540	249,411	4,571,661	63,230	5,275,842
	2016	391,540	323,412	—	46,059	761,011
Mark Ver Hoeve Vice President-Geoscience	2018	\$330,000	\$221,760	\$ —	\$ 222,516	\$ 774,276
	2017	107,885	158,905	1,100,000	31,023	1,397,813
Josh Walker Vice President-Completions & Operations	2018	\$189,615	\$116,803	\$ 1,031,250	\$ 12,489	\$ 1,350,157
Joseph O. Evans Former Chief Financial Officer and Executive Vice President	2018	\$448,914	\$402,227	\$ —	\$ 43,088	\$ 894,229
	2017	448,914	326,809	4,571,661	55,552	5,402,936
	2016	448,914	423,775	—	40,332	913,021

- (1) Bonuses were performance-based cash incentives under our AIM program. Bonuses attributable to a fiscal year are paid the following year.
- (2) Awards generally vest in one-third increments each year over a three-year period. The values shown are the aggregate grant date fair value for initial awards computed in accordance with FASB ASC Topic 718 and assuming a 100% probability of vesting with respect to Performance Shares. Generally, the full grant date fair value is the amount that we would expense in our financial statements over the award's vesting timeframe. Although the full grant date fair value of the equity awards is included in the annualized compensation for the NEOs disclosed above, the grants were front-loaded and absent changed circumstances are intended to be the only equity-based awards granted to the NEOs over the following three year vesting period. Certain Performance Shares were allocated to performance conditions that were not established at the time the awards were granted and thus a grant date for measurement purposes pursuant to FASB ASC Topic 718 was not established for these awards when they were initially granted. For these Performance Shares, amounts in the table above reflect the fair market value of the shares on the date the grants were awarded.
- (3) Other compensation was limited in scope and in 2018 was primarily comprised of Company 401(k) matching and employer-paid medical benefits including accidental death and dismemberment, dental, life, medical and long-term and short-term disability coverage. Mr. Ver Hoeve also received \$182,806 in compensation for relocation expenses.

**Grants of Plan-Based Awards in 2018**

The following table shows grants of equity-based awards in 2018 to our NEOs.

<u>Name</u>	<u>Grant Date</u>	<u>Estimated Future Payouts Under Equity Incentive Plan Awards (1) (3) (Shares of Stock or Units)</u>			<u>All Other Stock Awards: Number of Shares of Stock or Units (1) (#)</u>	<u>Grant Date Fair Value of Stock and Option Awards (2) (\$)</u>
		<u>Threshold (#)</u>	<u>Target (#)</u>	<u>Maximum (#)</u>		
Josh Walker-Time Shares	4/30/2018	n/a	n/a	n/a	41,250	\$ 773,438
Josh Walker-Performance Shares	4/30/2018	6,875	13,750	20,625	0	257,813

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- (1) The Time Shares are subject to vesting over three equal annual installments. The Performance Shares vest in three tranches over three calendar years according to performance conditions established each year. The grants to our NEOs in the table above are intended to be front-loaded and absent changed circumstances are intended to be the only equity-based awards granted to the NEOs over the following three-year vesting period.
- (2) The values shown are the aggregate grant date fair value for initial awards computed in accordance with FASB ASC Topic 718 and assuming a 100% probability of vesting at target with respect to Performance Shares. Generally, the full grant date fair value is the amount that we would expense in our financial statements over the award's three-year vesting timeframe. Certain Performance Shares were allocated to performance conditions that not been established at the time the awards were granted and thus a grant date for measurement purposes pursuant to FASB ASC Topic 718 was not established for these awards when they were initially granted. For these Performance Shares, amounts in the table above reflect the fair market value of the shares on the date the grants were awarded at the Target performance level.
- (3) Restricted stock has been granted at the Target performance level, with restrictions removed based on achievement of performance conditions. If performance exceeds Target levels over the three year vesting period, additional shares would have to be granted to meet any award above the total Target performance level.

### **Outstanding Equity Awards at Fiscal Year-End 2018**

The following table shows outstanding restricted stock awards for each NEO as of December 31, 2018.

Name	Time Vested Awards		Performance Vested Awards	
	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$)(1)	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$)(1)
K. Earl Reynolds	262,396	\$ 1,290,988	42,113	\$ 207,196
James M. Miller	114,007	560,914	18,298	90,026
Mark Ver Hoeve	27,500	135,300	4,413	21,712
Josh Walker	41,250	202,950	9,684	47,645
Joseph O. Evans	114,007	560,914	18,298	90,026

- (1) The table assumes an estimated fair value per share of \$4.92 as of December 31, 2018, based on the market price of our Class A common stock currently trading on the NYSE.

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**2018 Stock Vested**

The following table shows restricted stock awards that vested during the year ended December 31, 2018 for each NEO that participated in the 2017 MIP.

Name	Time Share Awards		Performance Share Awards (1)	
	Number of Shares of Stock That Vested (#) (1)	Value Realized on Vesting (\$)	Number of Shares of Stock That Vested (#) (1)	Value Realized on Vesting (\$)
K. Earl Reynolds	131,198	\$ 2,322,205	38,792	\$ 190,857
James M. Miller	57,003	\$ 1,008,593	16,854	\$ 82,922
Mark Ver Hoeve	13,750	\$ 243,375	4,066	\$ 20,005
Josh Walker	—	\$ —	4,066	\$ 20,005
Joseph O. Evans	57,003	\$ 1,008,593	16,854	\$ 82,922

(1) Includes vesting of Performance Shares during 2018 whereupon no future service was required subsequent to December 31, 2018, for a participant to be entitled to the award. However restrictions on these Performance Shares were not lifted until March 11, 2019, the time at which the Compensation Committee completed its evaluation of management's accomplishment with respect to the performance conditions.

**Pension Benefits in 2018**

No pension benefits were granted in 2018 for any NEO.

**Nonqualified Deferred Compensation in 2018**

No nonqualified deferred compensation was granted in 2018 for any NEO.

**Potential Payments Upon Termination or Change in Control**

***Employment Agreements with our NEOs***

Certain of our NEOs have employment agreements that obligate us to pay certain separation benefits to them in the event of voluntary termination, termination without cause, termination for good reason and termination in the event of disability or death. Mr. Evans retired from the Company on March 15, 2019, and as a result, his employment agreement is no longer in effect. See "Principal Financial Executive Officer's Separation and Release Agreement," for information regarding Mr. Evans's severance arrangement.

The term "disability" means the NEO's incapacity due to physical or mental illness whereby the NEO is substantially unable to perform his duties under the employment agreement (with or without reasonable accommodation, as defined under the Americans With Disabilities Act) for a period of six consecutive months. The term "cause" means termination for one of the following reasons:

- the NEO's conviction of, or entry by the NEO of a guilty or no contest plea to a felony or crime involving moral turpitude;
- the NEO's willful commission of an act of fraud or dishonesty resulting in economic or financial injury to us or any affiliate;
- the NEO's willful failure to substantially perform or gross neglect of his duties, including, but not limited to, the failure to follow any lawful directive of our Chief Executive Officer, within the reasonable scope of the NEO's duties;
- the NEO's performance of unapproved acts materially detrimental to us or any affiliate;

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- the NEO's use of narcotics, alcohol, or illicit drugs in a manner that has or may reasonably be expected to have a detrimental effect on his performance of his duties as our employee or on the reputation of the Company or any affiliate;
- the NEO's commission of a material violation of any of our rules or policies which results in injury to us; or
- the NEO's material breach of the employment agreement.

The term "good reason" means the occurrence, without the written consent of the NEO, of one of the events set forth below:

- a material diminution in the NEO's authority, duties or responsibilities, combined with a demotion in the NEO's pay grade ranking;
- the reduction by us of the NEO's base salary by more than 10% (unless done so for all of our executive officers);
- the requirement that the NEO be based at any office or location that is more than 50 miles from our principal executive offices, except for travel reasonably required in the performance of the NEO's responsibilities; or
- any other action or inaction that constitutes a material breach by us under the employment agreement.

The term "change in control" means:

- the consummation of any transaction or series of related transactions involving the sale of our outstanding securities (but excluding a public offering of our capital stock) for securities or other consideration issued or paid or caused to be issued or paid by such other corporation or an affiliate thereof and which results in our shareholders (or their affiliates) immediately prior to such transaction not holding at least a majority of the voting power of the surviving or continuing entity following such transaction; or
- the consummation by us (whether directly involving us or indirectly involving us through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination; (y) a sale or other disposition of all or substantially all of our assets; or (z) the acquisition of assets or stock of another entity, in each case, other than a transaction which results in our voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into our voting securities or the person that, as a result of the transaction, controls, directly or indirectly, us or owns, directly or indirectly, all or substantially all of our assets or otherwise succeeds to our business), directly or indirectly, at least a majority of the combined voting power of the successor entity's outstanding voting securities immediately after the transaction.

### *Payments Made Upon Termination Without Cause or by the NEO for Good Reason Not Following a Change in Control*

In the event a current NEO's employment is terminated without cause or by the NEO for good reason at any time that is not within two years after the occurrence of a change in control, we will be obligated:

- to pay to the NEO an amount equal to the severance multiple, as specified in the NEO's employment agreement, times the sum of (x) the NEO's base salary in effect on the date of termination plus (y) the annual bonus granted to the NEO for the fiscal year immediately on or preceding the date of termination, payable in the form of a salary continuation for a period of months equal to the product of 12 times the severance multiple;
- subject to certain limitations, to maintain for a period of 18 months following the date of termination, participation by the NEO (and his spouse and/or eligible dependents, as applicable) in our medical, hospitalization, and dental programs maintained for the benefit of our executive officers as in effect on the date of termination, at such level and terms and conditions (including, without limitation, contributions required by the NEO for such benefits) as in effect on the date of termination (the "Termination Wellness Benefits");
- to pay to the NEO any earned but unpaid base salary, annual bonus from prior years, and vacation pay in the form of a lump sum payment; and
- to pay to the NEO any unreimbursed reasonable business expenses incurred by the NEO on our behalf in the form of a lump sum payment.

The following table quantifies amounts that would have been paid pursuant to the employment agreements for each of our NEOs assuming a termination took place on December 31, 2018, assuming all accrued compensation and reimbursable expenses had been paid on December 31, 2018 and assuming such termination was a termination without cause or by the NEO for good reason not following a change in control.

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<u>Name</u>	<u>Base Salary</u>	<u>Annual Bonus</u>	<u>Severance Multiple</u>	<u>Benefits</u>	<u>Total</u>
K. Earl Reynolds	\$ 572,858	\$ 641,600	1.5	\$18,984	\$1,850,163
Joseph O. Evans (1)	448,914	402,227	1.0	20,141	881,353
James M. Miller	391,540	306,967	1.0	32,418	747,134

(1) On March 15, 2019, Mr. Evans retired as an employee of the Company pursuant to the provisions under the Separation Agreement. See “Principal Financial Officer’s Separation and Release Agreement” below.

*Payments Made Upon Termination Without Cause or by the NEO for Good Reason Following a Change in Control*

If at any time within two years after a change in control (“CiC”), the NEO’s employment is terminated without cause or by the NEO for good reason, we will be obligated:

- to pay to the NEO an amount equal to the CiC severance multiple, as specified in the NEO’s employment agreement, times the sum of (x) the NEO’s base salary in effect on the date of termination plus (y) the annual bonus granted to the NEO for the fiscal year immediately on or preceding the date of termination, payable in the form of a salary continuation for a period of months equal to the product of 12 times the CiC Multiple, or in the form of a lump sum payment if the CiC occurs as a result of the sale or other disposition of all or substantially all of the Company’s assets;
- subject to certain limitations, to provide the Termination Wellness Benefits;
- to pay to the NEO any earned but unpaid base salary, annual bonus from prior years and vacation pay in the form of a lump sum payment; and
- to pay to the NEO any unreimbursed reasonable business expenses incurred by the NEO on our behalf in the form of a lump sum payment.

In addition to the payments above, if at any time within one year after a CiC, the NEO’s employment is terminated without cause or by the NEO for good reason, we will be obligated to lift all remaining restrictions on the restricted stock awards granted thus far under the 2017 MIP.

The following table quantifies amounts that would have been paid pursuant to the employment agreements for each of our NEOs assuming a termination took place on December 31, 2018, assuming all accrued compensation and reimbursable expenses had been paid on December 31, 2018 and assuming such termination was a termination without cause or by the NEO for good reason following a CiC.

<u>Name</u>	<u>Base Salary</u>	<u>Annual Bonus</u>	<u>Severance Multiple</u>	<u>Benefits</u>	<u>Equity Grants (1)</u>	<u>Total</u>
K. Earl Reynolds	\$ 572,858	\$ 641,600	2.25	\$18,984	\$ 1,498,184	\$4,259,191
Joseph O. Evans	448,914	402,227	1.50	20,141	650,941	1,957,864
James M. Miller	391,540	306,967	1.50	32,418	650,941	1,747,328

(1) Amounts represent the fair value as of December 31, 2018, of unvested restricted shares that would accelerate vest upon termination.

*Payments Made Upon Termination for Cause or by the NEO Without Good Reason*

In the event an NEO is terminated for cause, or the NEO resigns without good reason, we have no further obligations to the NEO other than a lump sum payment of the following amounts:

- any earned but unpaid base salary, annual bonus from prior years and vacation pay; and
- unreimbursed reasonable business expenses incurred by the NEO on our behalf, so long as the NEO was not fired for cause due to his misappropriation of Company funds. No amounts would have been paid pursuant to the employment agreements for each of our NEOs assuming a termination for cause or by the NEO without good reason took place on December 31, 2017, and assuming all accrued compensation and reimbursable expenses had been paid on December 31, 2017.

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### *Payments Made Upon Death or Disability*

In the event of an NEO's death or disability, we will be obligated to pay to the NEO:

- any earned but unpaid base salary, annual bonus from prior years and vacation pay;
- unreimbursed reasonable business expenses incurred by the NEO on our behalf; and
- a pro rata share of the annual bonus for the fiscal year in which the termination of employment occurs.

Assuming all accrued compensation or reimbursable expenses had been paid on December 31, 2017, the only amounts that would have been payable pursuant to the employment agreements for each of our NEOs assuming an event of death or disability took place on December 31, 2017, would be their 2017 annual bonus equal to the amounts disclosed in the Summary Compensation Table above.

Payments of separation benefits may be delayed if (i) the NEO is a "specified employee" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), as of the date of his separation from service and (ii) the amount of any separation benefits payable to him are subject to Section 409A. In such instance, the separation benefits will not be paid to the NEO until six months after the date of separation from service, or, if earlier, the date of his death.

### **Other Payments Made Upon Termination, Retirement, Death or Disability**

Except for terminations without cause or for good reason subsequent to a change in control, as discussed above, the 2017 MIP does not require accelerated vesting provisions in the event of termination of an NEO's employment for any other reason.

Regardless of the manner in which an NEO's employment is terminated, he is entitled to receive amounts earned during his term of employment, including unused vacation pay and bonuses earned but not yet paid under the AIM program.

Additionally, if an NEO is terminated due to death or disability, that NEO will receive benefits under our disability plan or payments under our life insurance plan.

### **Principal Financial Officer's Separation and Release Agreement**

On February 11, 2019, Joseph O. Evans advised the Company of his intent to retire as Chief Financial Officer and Executive Vice President of the Company, effective March 15, 2019 (the "Separation Date"). In connection with the foregoing, on February 14, 2019, the Company and Mr. Evans signed a Separation and Release Agreement (the "Separation Agreement") pursuant to which Mr. Evans remained employed with the Company and provided transition services in addition to his customary duties, responsibilities and authorities until the Separation Date during which time he received his current rate of base salary and employee benefits, as in effect immediately prior to the effective date of the Separation Agreement, until the Separation Date.

Subject to the Separation Agreement, and in consideration of a full release of claims against the Company, on March 22, 2019, the Company remitted a cash payment of \$402,226.88 to Mr. Evans for his 2018 Annual Bonus. Additionally, beginning on March 29, 2019, the Company began remitting a total of \$851,140.88, consisting of Mr. Evans's 2018 annual salary and 2018 Annual Bonus, which will be paid out over a 12-month period as a separation payment, in addition to accrued and unpaid benefits or obligations previously paid under the Separation Agreement. On February 22, 2019, the Company also accelerated the vesting of 57,004 shares of time-based restricted stock granted to Mr. Evans pursuant to the 2017 MIP and previously scheduled to vest on April 1, 2019.

Mr. Evans is subject to non-solicitation, non-competition, and confidentiality restrictions as set forth in his employment agreement with the Company.

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### **CEO Pay Ratio**

As required by Item 402(u) of Regulation S-K, we are providing disclosure regarding the annual total compensation of K. Earl Reynolds, our Chief Executive Officer as of December 1, 2018 (the date used to identify our median employee), to the annual total compensation of our median employee. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. Due to estimates, assumptions, adjustments and statistical sampling permitted under the rules, pay ratio disclosures may involve a degree of imprecision and may not be consistent with the methodologies incorporated by other companies.

As of December 1, 2018, our employee population, excluding Mr. Reynolds, consisted of 194 individuals. We identified the median employee by adding together the following compensation measures for each employee:

- Annualized salary as of December 1, 2018;
- 2018 AIM awards assuming 100% payout; and
- The fair value on grant date of restricted stock units granted in 2018.

After identifying the median employee, we calculated the total annual compensation for such employee using the same methodology we use for our NEOs as set forth in the Summary Compensation Table, above.

For 2018:

- the annual total compensation for Mr. Reynolds was \$1,257,055; and
- the annual total compensation for our median employee was \$113,488.

Based on this information, the ratio of our CEO's annual total compensation to our median employee's annual total compensation for 2018 was approximately 11 to 1.

### **Director Compensation**

Our cash compensation plan for non-employee directors consists of:

- an annual cash retainer of \$100,000 to any non-employee Chairman of the Board, payable quarterly in arrears and pro-rated for any periods of partial service;
- an annual cash retainer of \$65,000 to each non-employee director (other than the Chairman of the Board), payable quarterly in arrears and pro-rated for any periods of partial service;
- an additional annual cash retainer of \$10,000, \$7,500 and \$5,000 for service in a non-chairperson role in the Audit, Compensation, and Nominating & Governance Committees, respectively, payable quarterly in arrears and pro-rated for any periods of partial service, and
- an additional annual cash retainer of \$20,000, \$15,000 and \$12,500 for the Chairman of the Audit, Compensation, and Nominating & Governance Committees, respectively, payable quarterly in arrears and pro-rated for any periods of partial service.

We also reimburse all of our directors for all reasonable out-of-pocket costs and expenses incurred by them in connection with their service as a director.

The Board has approved an equity component of compensation for non-employee directors comprised of restricted stock awards. The equity compensation granted to our directors in 2017 was front-loaded with the intent that no additional grants would be made in 2018.

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The following table discloses compensation awarded to our Board in 2018. Mr. Rowland is not listed below because he was appointed to the Board on April 10, 2019 and therefore did not receive any compensation as a non-employee director in 2018.

<u>Name</u>	<u>Cash fees paid in 2018</u>
Robert F. Heinemann	\$ 125,000
Douglas E. Brooks	91,250
Matthew D. Cabell	98,750
David Geenberg (1)	—
Samuel Langford	90,000
Kenneth W. Moore	101,875
Graham Morris (2)	—
Gysle Shellum	106,250

- (1) Pursuant to the terms of the SVP Support Agreement, Mr. Geenberg waived his rights to compensation as a member of the Board and did not participate in the non-employee director compensation programs described hereunder.
- (2) Pursuant to the terms of the Support Agreement by and among the Company, Contrarian Capital Management, L.L.C., and certain private investment funds directly or indirectly managed by Contrarian Capital Management, L.L.C., Mr. Morris waived his rights to compensation as a member of the Board and did not participate in the non-employee director compensation programs described hereunder.

### **Compensation Policies and Risk Management**

While our Board strives to create incentives that encourage a level of risk-taking behavior consistent with our business strategy, our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on our operations or financial condition.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The table below sets forth information, as of April 22, 2019, beneficial ownership of our outstanding shares of common stock by (i) our directors, (ii) the executive officers named in the Summary Compensation Table, (iii) all of our directors and executive officers as a group and (iv) all persons known by us to own beneficially more than 5% of our outstanding common stock.

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Name and Address of Beneficial Owner	Beneficial Ownership (1) of Class A Shares	% of Total Outstanding
<b>Named Executive Officers</b>		
K. Earl Reynolds (2)	388,490	*
James M. Miller (2)	166,610	*
Mark Ver Hoeve (2)	70,144	*
Joshua D. Walker (2)	49,026	*
Joseph O. Evans (Retired) (2)	85,157	*
<b>Directors</b>		
Robert F. Heinemann (2)	18,728	*
Douglas E. Brooks (2)	13,598	*
Matthew D. Cabell (2)	16,621	*
Samuel Langford (2)	16,621	*
Kenneth W. Moore (2)	12,752	*
Gysle Shellum (2)	14,625	*
All executive officers and directors as a group (15 persons) (2)	1,018,228	2.19%
<b>5% Beneficial Owners</b>		
Strategic Value Partners, LLC (3) 100 West Putnam Avenue Greenwich, CT 06830	10,738,288	23.17%
Silver Point Capital, L.P. (4) Two Greenwich Plaza, First Floor Greenwich, CT 06830	4,425,994	9.55%
Contrarian Capital Management, LLC (5) 411 West Putnam Avenue, Suite 425 Greenwich, CT 06830	3,790,800	8.18%
Lord, Abbett & Co. LLC (6) 90 Hudson Street Jersey City, NJ 07302	2,890,930	6.24%
PPM America, Inc. (7) 225 W Wacker Drive, Suite 1200 Chicago, IL 60606	2,546,166	5.49%

\* Less than one percent.

- (1) Unless otherwise indicated, all shares of stock are held directly with sole voting and investment power.
- (2) The address of directors and officers is in care of Chaparral Energy, Inc., 701 Cedar Lake Boulevard, Oklahoma City, Oklahoma 73114.
- (3) Strategic Value Partners, LLC serves as (i) the investment manager of Strategic Value Master Fund, Ltd. and (ii) managing member of each of (A) SVP Special Situations III LLC, who is the investment manager of Strategic Value Special Situations Master Fund III, L.P.; (B) SVP Special Situations IV LLC, who is the investment manager of Strategic Value Special Situations Master Fund IV, L.P.; and (C) SVP Special Situations III-A LLC who is the investment manager of Strategic Value Opportunities Fund, L.P. Victor Khosla is the indirect majority owner and control person of Strategic Value Partners, LLC.
- (4) Silver Point Capital, L.P. serves as investment manager to Silver Point Capital Fund, L.P., Silver Point Capital Offshore Master Fund, L.P., and is the sole owner of the investment manager of Silver Point Distressed Opportunities Fund, L.P. and Silver Point Distressed Opportunities Offshore Master Fund, L.P. and by reason of such status, may be deemed to be the beneficial owner of the securities held by these holders of our Class A common stock. Silver Point Distressed Opportunities Management, LLC is the investment manager of Silver Point Distressed Opportunities Fund,

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- L.P. and Silver Point Distressed Opportunities Offshore Master Fund, L.P. and by reason of such status, may be deemed to be the beneficial owner of the securities held by these holders of our Class A common stock. Silver Point Capital Management, LLC is the general partner of Silver Point Capital, L.P. and as a result, may be deemed to be the beneficial owner of the securities held by the foregoing stockholders. Edward A. Mule and Robert J. O’Shea are each members of Silver Point Capital Management, LLC and as a result, may be deemed to be the beneficial owner of the securities held by the foregoing stockholders, and exercise voting and investment control over the securities.
- (5) Contrarian Capital Management, L.L.C. serves as Investment Manager to each of the following holders of shares of our common stock, and by reason of such status, may be deemed to be the beneficial owner of the securities held by these stockholders: CCM Pension-A, L.L.C., CCM Pension-B, L.L.C., Contrarian Advantage-B, LP, Contrarian Capital Fund I, L.P., Contrarian Capital Senior Secured, L.P., Contrarian Capital Trade Claims, L.P., Contrarian Centre Street Partnership, L.P., Contrarian Dome du Gouter Master Fund, LP, Contrarian Opportunity Fund, L.P and Contrarian Distressed Equity Fund, L.P. Jon R. Bauer, managing member of Contrarian Capital Management, L.L.C., has voting and investment control over the securities.
- (6) Lord, Abnett & Co, LLC serves as investment advisor to the following holders of shares of our common stock: Lord Abnett Bond-Debtenture Fund, Inc., Lord Abnett Investment Trust—Lord Abnett High Yield Fund, Lord Abnett Investment Trust—Lord Abnett Income Fund, Lord Abnett Investment Trust—Lord Abnett Short Duration Income Fund, Lord Abnett Passport Portfolios plc—Lord Abnett High Yield Fund, Lord Abnett Passport Portfolios plc—Lord Abnett Multi-Sector Income Fund, Lord Abnett Series Fund, Inc.—Bond Debtenture Portfolio and Lord Abnett High Yield Trust. Steven F. Rocco, partner and portfolio manager of Lord, Abnett & Co. LLC, exercises voting and investment control over the securities owned by Lord Abnett Bond-Debtenture Fund, Inc., Lord Abnett Investment Trust—Lord Abnett High Yield Fund, Lord Abnett Passport Portfolios plc—Lord Abnett High Yield Fund, Lord Abnett Passport Portfolios plc—Lord Abnett Multi-Sector Income Fund, Lord Abnett Series Fund, Inc.—Bond Debtenture Portfolio and Lord Abnett High Yield Trust. Andrew H. O’Brian, partner and portfolio manager of Lord, Abnett & Co. LLC, exercises voting and investment control over the securities owned by Lord Abnett Investment Trust—Lord Abnett Income Fund and Lord Abnett Investment Trust—Lord Abnett Short Duration Income Fund.
- (7) PPM America, Inc. serves as attorney in fact for the following holders of shares of our common stock: Jackson National Life Insurance Company, Jackson National Life Insurance Company of New York, Eastspring Investments—U.S. Strategic Income Bond Fund, Eastspring Investments—U.S. High Yield Bond Fund, JNL/PPM America Long Short Credit Fund, JNL/PPM America Strategic Income Fund, JNL/PPM America High Yield Bond Fund, a series of JNL Series Trust, and The Prudential Assurance Company Limited on behalf of certain sub accounts. Joel Klein, Executive Vice President of PPM America Inc., exercises voting and investment control over these securities as the attorney-in-fact for the foregoing holders of our common stock.

**Securities Presently Authorized for Issuance under our 2017 MIP**

The following table provides information for all equity compensation plans as of April 29, 2019, under which our equity securities were authorized for issuance:

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants, and Rights</b> (a)	<b>Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights</b> (b)	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b> (c)
Equity compensation plans approved by security holders	0	0	0
Equity compensation plans not approved by security holders (1)	0	0	1,872,565
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,872,565</b>

- (1) Shares related to future grants that are terminated, canceled, expire unexercised, or settled in such manner that all or some of the shares are not issued to a participant or are surrendered unvested shall immediately become available for future issuance.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Transactions with Related Persons, Promoters and Certain Control Persons

#### *Payments to our Board of Directors*

In 2018, the Company repurchased shares from its Board members in order to facilitate the payment of tax obligations incurred by the Board members in connection with the vesting of restricted stock awards previously granted under the 2017 MIP. The restricted stock award grant relating to this vesting event was previously reported as director compensation (“Stock Awards”) in Item 11. Executive Compensation of our Amended Annual Report on Form 10-K/A for the year ended December 31, 2017, filed in the previous year.

<u>Name</u>	<u>Stock Repurchased (1)</u>
Robert F. Heinemann	\$ 50,463
Douglas E. Brooks	37,453
Matthew D. Cabell	26,745
Samuel Langford	26,745
Kenneth W. Moore	47,082
Gysle Shellum	32,108
	<u>220,596</u>

(1) Represents the fair value of shares repurchased based on the closing price on the repurchase date.

#### *Stockholders Agreement*

In connection with the Company’s emergence from bankruptcy, the Company entered into a Stockholders Agreement (as may be amended from time to time, the “Stockholders Agreement”) with the holders of its common stock named therein to provide for certain general rights and restrictions for holders of common stock. The Stockholders Agreement provided for certain general rights and restrictions, including general restrictions, including:

- restrictions on the authority of the Board to take certain actions, including but not limited to entering into (i) a merger, consolidation, or sale of all or substantially all of the Company’s assets; (ii) an acquisition outside the ordinary course of business or exceeding \$125,000,000; (iii) any issuance of preferred stock or other capital stock of the Company senior to the Company common stock; (iv) an amendment, waiver or modification of the certificate of incorporation or bylaws of the Company; (v) an incurrence of new indebtedness that would result in the aggregate indebtedness of the Company exceeding \$650,000,000; and (vi) with certain exceptions, an initial public offering on or prior to December 15, 2018, in each case without the approval of holders of at least two-thirds of the Company’s outstanding common stock;
- restrictions on the authority of the Board to enter into or terminate affiliate transactions without the approval of a majority of disinterested members of the Board;
- pre-emptive rights granted to holders of at least 0.5% of the Company’s outstanding common stock, allowing those holders to purchase their pro rata share of any issuances or distributions of new securities by the Company;
- information rights and inspection rights;
- registration rights as described in the Registration Rights Agreement below; and
- drag along and tag along rights.

In March 2018, the Stockholders Agreement was amended to (i) remove the restriction on the Company’s ability to become subject to Section 13 of the Securities Exchange Act of 1934, as amended, on or prior to December 15, 2018 without the affirmative approval of the holders of two-thirds of the Company’s outstanding common stock and (ii) eliminate preemptive rights currently existing under the Stockholders Agreement which would be applicable to the issuance or sale of Company securities pursuant to a private placement or other transaction exempt from or not subject to the registration requirements of the Securities Act of 1933, as amended, to the extent such transaction would not result in the issuance of more than 100,000 shares of the Company’s common stock and would not result in more than 100 new holders of the Company’s common stock.

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The rights and preferences of each stockholder under the Stockholders Agreement were set to terminate on the earliest of (i) the unanimous written consent of all stockholders of the Company who are parties to the Stockholders Agreement to terminate the Stockholders Agreement; (ii) the dissolution, liquidation or winding up of the Company; and (iii) the listing of the Company's common stock on a U.S. national securities exchange registered with the SEC (whether in connection with an initial public offering or otherwise).

On July 24, 2018, shares of Class A common stock, par value \$0.01 per share, of the Company commenced trading on the New York Stock Exchange (the "Uplisting"). In connection with the Uplisting, the Stockholders Agreement terminated pursuant to its terms.

### ***Registration Rights Agreement***

In connection with the Company's emergence from bankruptcy, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") with the holders of its common stock named therein to provide for resale registration rights for the holders' Registrable Securities (as defined in the Registration Rights Agreement).

Pursuant to the Registration Rights Agreement, the holders have customary underwritten offering and piggyback registration rights, subject to the limitations set forth therein. Under their underwritten offering registration rights, one or more holders holding, collectively, at least 20% of the aggregate number of Registrable Securities have the right to demand that the Company file a registration statement with the SEC, and further have the right to demand that the Company effectuate the distribution of any or all of such holders' Registrable Securities by means of an underwritten offering pursuant to an effective registration statement, subject to certain limitations described in the Registration Rights Agreement. The holders' piggyback registration rights provide that, if at any time the Company proposes to undertake a registered offering of Common Stock, whether or not for its own account, the Company must give at least 20 business days' notice to all holders of Registrable Securities to allow them to include a specified number of their shares in the offering.

These registration rights are subject to certain conditions and limitations, including the Company's right to delay or withdraw a registration statement under certain circumstances. The Company will generally pay all registration expenses in connection with its obligations under the Registration Rights Agreement, regardless of whether any Registrable Securities are sold pursuant to a registration statement. The registration rights granted in the Registration Rights Agreement are subject to customary indemnification and contribution provisions, as well as customary restrictions such as blackout periods and, if an underwritten offering is contemplated, limitations on the number of shares to be included in the underwritten offering that may be imposed by the managing underwriter.

### ***Indemnification Agreements***

We have indemnification agreements with each of our directors and executive officers. These indemnification agreements are intended to permit indemnification to the fullest extent now or hereafter permitted by the Delaware General Corporation Law. It is possible that the applicable law could change the degree to which indemnification is expressly permitted.

The indemnification agreements cover expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred as a result of the fact that such person, in his capacity as a director or officer, is made or threatened to be made a party to any suit or proceeding. The indemnification agreements will generally cover claims relating to the fact that the indemnified party is or was an officer, director, employee or agent of us or any of our affiliates, or is or was serving at our request in such a position for another entity. The indemnification agreements will also obligate us to promptly advance all reasonable expenses incurred in connection with any claim. The indemnitee is, in turn, obligated to reimburse us for all amounts so advanced if it is later determined that the indemnitee is not entitled to indemnification. The indemnification provided under the indemnification agreements is not exclusive of any other indemnity rights; however, double payment to the indemnitee is prohibited.

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We are not obligated to indemnify the indemnitee with respect to claims brought by the indemnitee against us, except for:

- claims regarding the indemnitee's rights under the indemnification agreement;
- claims to enforce a right to indemnification under any statute or law; and
- counter-claims against us in a proceeding brought by us against the indemnitee or any other person, except for claims approved by our Board.

We also maintain director and officer liability insurance for the benefit of each of the above indemnitees. These policies include coverage for losses for wrongful acts and omissions and to ensure our performance under the indemnification agreements. Each of the indemnitees are named as an insured under such policies and provided with the same rights and benefits as are accorded to the most favorably insured of our directors and officers.

### ***Support Agreements***

The Company entered into a support agreement with each (i) Strategic Value Partners, LLC and certain funds and accounts managed by Strategic Value Partners, LLC and its affiliates (collectively, "SVP") and (ii) Contrarian Capital Management, L.L.C. and certain funds and accounts managed by Contrarian Capital Management, L.L.C. and its affiliates (collectively "CCM"), pursuant to which each of SVP and CCM have the right to appoint one member to our Board subject to each SVP's and CCM's respective compliance with its respective support agreement.

On June 6, 2018, the Company appointed Mr. David Geenberg as a member of the Board pursuant to the support agreement with SVP. On August 8, 2018, the Company appointed Mr. Graham Morris as a member of the Board pursuant to the support agreement with CCM. Messrs. Geenberg and Morris each resigned from our Board on March 11, 2019. Mr. Marcus Rowland joined Chaparral's Board in April 2019 pursuant to the terms of the Company's support agreement with SVP. CCM has not appointed a replacement designee for Mr. Morris.

The support agreements also include, among other provisions, certain standstill and voting commitments by each SVP and CCM, including a voting commitment that each SVP and CCM will vote in favor of (i) any director nominees recommended by the Board to the stockholders for election and (ii) other routine matters submitted by the Board to the stockholders for a vote. The standstill period, with respect to each support agreement, shall, subject to the Company's compliance with the terms of the applicable support agreements, extend until the date that is the earlier of (i) 30 days prior to the expiration of the Company's advance notice period for (A) the 2020 annual meeting of stockholders or (B) any subsequent annual meeting of stockholders, should a SVP or CCM designee, as applicable, not be included on the Company's slate of director nominees for such subsequent annual meeting and (ii) 120 days after a SVP or CCM designee, as applicable, ceases to serve on the Board. The support agreements also provide for resignation of the respective designee upon breach of the applicable support agreement by SVP or CCM, or (i) in the case of a SVP designee, upon SVP ceasing collectively to beneficially own the lesser of an aggregate of (i) at least 8% of the Company's then outstanding shares of Common Stock and (ii) 3,719,850 shares of the Company's Class A common stock or (ii) the case of a CCM designee, upon CCM ceasing collectively to beneficially own the lesser of an aggregate of (A) at least 5% of the Company's then outstanding shares of Common Stock and (B) 2,324,906 shares of the Company's Class A common stock.

### ***Review, Approval or Ratification of Transactions with Related Persons***

Our Board is responsible for approving all related party transactions between us and any officer or director that would potentially require disclosure. The Board expects that any transactions in which related persons have a direct or indirect interest will be presented to the Board for review and approval but we have no written policy in place at this time.

### ***Director Independence***

As discussed above under the heading "Director Independence", our Board is subject to the independence standards under the NYSE, and the Board has determined that Messrs. Shellum, Moore, Langford, Brooks, Cabell, Heinemann, and Rowland are independent under these NYSE rules for purposes of service on the Board. Messrs. Geenberg and Morris, each of whom served on the Board for part of the 2018 fiscal year and resigned from our Board effective March 11, 2019, were also determined by our Board to have been independent under the NYSE independence standards.

## ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

### Independent Auditor and Fees

Grant Thornton LLP, our independent registered public accounting firm, audited our consolidated financial statements for fiscal year 2018. Grant Thornton LLP has billed us and our subsidiaries fees as set forth in the table below for (i) the audits of our 2018 and 2017 annual financial statements, reviews of quarterly financial statements, and other documents filed with the SEC and (ii) assurance and other services reasonably related to the audit or review of our financial statements.

	Audit Fees (1)	Audit-Related Fees (2)
Fiscal year 2018	\$ 806,458	\$ 78,750
Fiscal year 2017	\$ 660,935	\$ 256,060

- (1) The 2018 amounts include fees for professional services incurred with rendering an integrated audit opinion under Section 404 of the Sarbanes-Oxley Act of 2002, as a result of exiting “non-accelerated filer” status in the year subsequent to becoming a public company.
- (2) Audit related fees in 2018 were related to comfort letter procedures related to our offering of \$300.0 million of senior unsecured notes due 2023. Audit related fees in 2017 were primarily related to procedures performed on our bankruptcy and fresh start accounting disclosures and certain registration statements.

There were no fees billed in 2018 or 2017 that would constitute “Tax Fees” or “All Other Fees.”

### Pre-Approval Policies and Procedures

We currently have three Board committees: Audit, Compensation and Nominating & Governance. Our Audit Committee has adopted policies regarding the pre-approval of auditor services. Specifically, the Audit Committee approves all services provided by the independent public accountants at its annual March meeting. All additional services must be pre-approved on a case-by-case basis. Our Audit Committee reviews the actual and budgeted fees for the independent public accountants periodically at regularly scheduled board meetings. All of the services provided by Grant Thornton LLP during fiscal year 2018 were approved by the Audit Committee.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

**(a) Documents filed as part of this report**

(1) *Financial Statements.*

See Index to Financial Statements appearing on page 82 of the Original Report.

(2) *Financial Statement Schedules.*

None.

(3) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.1*†	<a href="#">Form of Indemnification Agreement between Chaparral Energy, Inc. and the directors and officers of Chaparral Energy, Inc.</a>
31.1	<a href="#">Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act.</a>
31.2	<a href="#">Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act.</a>
*	Filed herewith solely for the purpose of filing the correct version of the Form of Indemnification Agreement and supersedes and replaces the version filed as Exhibit 10.5 to Chaparral Energy, Inc.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on March 27, 2017.
†	Management contract or compensatory plan or arrangement.



## INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT (“Agreement”), effective as of [\*], is made by and between Chaparral Energy, Inc., a Delaware corporation with executive offices located at 701 Cedar Lake Blvd., Oklahoma City, Oklahoma 73114 (the “Company”), and [\*] of the Company, residing at [\*] (the “Indemnitee”).

The Company and Indemnitee recognize the prevalent risk of corporate shareholder litigation, in general, subjecting directors to the risk of expensive litigation.

The Company’s Board of Directors has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Bylaws of Chaparral Energy, Inc. (“Bylaws”) and the Third Amended and Restated Certificate of Incorporation of Chaparral Energy, Inc. (“Certificate of Incorporation”) requires indemnification of the directors of the Company.

Indemnitee may also be entitled to indemnification pursuant to the Delaware General Corporation Law (“*DGCL*”). Section 145 of the *DGCL*, empowers the Company to indemnify by agreement its officers, directors, employees and agents, and persons who serve, at the request of the Company, as directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by Section 145 is not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board of Directors, officers and other persons with respect to indemnification;

Given the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance Expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

This Agreement is a supplement to and in furtherance of the Bylaws and Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Indemnitee does not regard the protection available under the Bylaws and Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he or she is so indemnified.

NOW, THEREFORE, in consideration of Indemnitee’s agreement to serve as a director from and after the date hereof, the parties agree as follows:

### 1. Definitions.

(a) *Agent*. For the purposes of this Agreement, “Agent” of the Company means any person who (i) is or was a director, officer, employee, agent or other fiduciary of the Company or a Subsidiary of the Company (as defined herein); (ii) is or was serving at the request of, for the convenience of or to represent the interest of the Company or a Subsidiary of the Company as a director, officer, employee, agent or other fiduciary of a foreign or domestic corporation, partnership, joint venture, trust or other enterprise; (iii) was a director, officer, employee, agent or other fiduciary of a foreign or domestic corporation which was a predecessor corporation of the Company or a Subsidiary of the Company, or (iv) was a director, officer, employee, agent or other fiduciary of another enterprise at the request of, for the convenience of or to represent the interests of such predecessor corporation.

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(b) *Expenses*. For purposes of this Agreement, the term “Expenses” shall be broadly construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding and related disbursements, and other out-of-pocket costs actually and reasonably incurred by the Indemnitee in connection with either the investigation, defense or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, the DGCL or otherwise). The term “Expenses” shall also include reasonable compensation for time spent by Indemnitee for which he or she is not compensated by the Company or any Subsidiary of the Company or third party (i) for any period during which Indemnitee is not an Agent, in the employment of, or providing services for compensation to, the Company or any Subsidiary of the Company; and (ii) if the rate of compensation and estimated time involved are approved by the directors of the Company who are not parties to any action with respect to which expenses are incurred, for Indemnitee while an Agent of, employed by, or providing services for compensation to, the Company or any Subsidiary of the Company.

(c) *Liabilities*. For purposes of this Agreement, the term “**Liabilities**” shall be broadly construed and shall include, without limitation, judgments, damages, deficiencies, liabilities, losses, penalties, excise taxes, fines, assessments and amounts paid in settlement, including any interest and any federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payment under this Agreement.

(d) *Proceeding*. For the purposes of this Agreement, the term “Proceeding” shall be broadly construed and shall include, without limitation, any threatened, pending, or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternative dispute resolution mechanism, claim, investigation, inquiry, administrative hearing, or any other actual, threatened, completed or other proceeding, whether brought by or in the right of the Company or any Subsidiary of the Company or otherwise and whether civil, criminal, administrative, investigative or any other type whatsoever and whether formal or informal. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a proceeding, this shall be considered a proceeding under this paragraph.

(e) *Subsidiary*. For purposes of this Agreement, “Subsidiary” means any corporation, limited liability company or other entity of which more than 50% of the outstanding voting securities or equity interests are owned directly or indirectly by the Company, by the Company and one or more other subsidiaries, or by one or more other subsidiaries, and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise of which Indemnitee is or was serving at the request of the Company as an Agent.

2. **Agreement to Serve**. The Indemnitee agrees to serve and/or continue to serve as an Agent of the Company, in the capacity the Indemnitee currently serves, so long as he or she is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of the Company or any Subsidiary of the Company or until such time as he or she tenders his resignation in writing or he or she is removed from such position, provided, however, that nothing contained in this Agreement is intended to create any right to continued employment by the Indemnitee.

The Company acknowledges that it has entered into this Agreement and assumes the obligations imposed on it hereby, in addition to and separate from its obligations to Indemnitee under the Bylaws, to induce Indemnitee to serve, or continue to serve, as an Agent, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an Agent.

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### 3. Maintenance of Liability Insurance.

The Company hereby covenants and agrees that, so long as the Indemnitee shall continue to serve as an Agent of the Company and thereafter so long as the Indemnitee shall be subject to any possible Proceeding by reason of the fact that the Indemnitee was an Agent of the Company, the Company shall use reasonable efforts to obtain and maintain in full force and effect directors' and officers' liability insurance ("D&O Insurance") in reasonable amounts from established and reputable insurers.

4. **Mandatory Indemnification.** Subject to Section 10 below, the Company shall indemnify the Indemnitee to the fullest extent permitted by the DGCL, as the same may be amended from time to time (but, to the fullest extent of the law, only to the extent that such amendment permits Indemnitee to broader indemnification rights than the DGCL permitted prior to adoption of such amendment) from:

(a) *Third Party Actions.* If the Indemnitee was or is a party or is threatened to be made a party to or otherwise involved in any Proceeding, other than a Proceeding by or in right of the Company to procure a judgment in its favor, by reason of the fact that he or she is or was an Agent of the Company, or by reason of anything done or not done by him or her in any such capacity, against any and all Expenses and Liabilities (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses and Liabilities) incurred by him or her in connection with the investigation, defense, settlement or appeal of such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or Proceeding, had no reasonable cause to believe his or her conduct was unlawful; and

(b) *Derivative Actions.* If the Indemnitee was or is a party or is threatened to be made a party to or otherwise involved in any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that he or she is or was an Agent of the Company, or by reason of anything done or not done by him or her in any such capacity, against any amounts paid in settlement of any such Proceeding and all Expenses actually and reasonably incurred by him or her in connection with the investigation, defense, settlement, or appeal of such Proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company after the time for an appeal has expired by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of his or her duty to the Company unless and only to the extent that the Court of Chancery or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which the Court of Chancery or such other court shall deem proper; and

(c) *Exception for Amounts Covered by Insurance.* Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Indemnitee for Expenses or Liabilities which have been paid directly to Indemnitee under D&O Insurance.

5. **Partial Indemnification.** If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) incurred by him or her in the investigation, defense, settlement or appeal of a Proceeding but not entitled, however, to indemnification for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for such total amount except as to the portion thereof to which the Indemnitee is not entitled.

6. **Advancement of Expenses.** Subject to Section 10 below, to the fullest extent to which it is permitted to do so by the DGCL or other applicable law, the Company shall, in advance of the final disposition of the matter, pay the Expenses and costs (including attorneys' fees) actually and reasonably incurred by any Indemnitee in defending or otherwise participating in connection with the investigation, defense, settlement or appeal of any Proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an Agent of the Company or by reason of anything done or not done by him or her in any such capacity, and any appeal therefrom for which such Indemnitee may be entitled to such indemnification

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under this Agreement; provided, however, if required by the DGCL, such payment of Expenses and costs in advance of the final disposition of the Proceeding shall be made only upon receipt by the Company of an undertaking by or on behalf of such Indemnitee to repay all amounts advanced if it should be ultimately determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified for such Expenses. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the Expenses. Advances shall include any and all Expenses incurred by Indemnitee pursuing an action to enforce Indemnitee's right to indemnification under this Agreement or otherwise and this right of advancement, including expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that the Indemnitee is not entitled to be indemnified by the Company. The advances to be made hereunder shall be paid by the Company to the Indemnitee within twenty (20) days following delivery of a written request therefor by the Indemnitee to the Company.

#### **7. Notice and Other Indemnification Procedures.**

(a) Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof.

(b) If, at the time of the receipt of a notice of the commencement of a Proceeding pursuant to Section 7(a) hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) Any indemnification or advancement of Expenses under this Agreement shall be made promptly, and in any event within thirty (30) days, upon the written request of the Indemnitee. If a determination by the Company that the Indemnitee is entitled to indemnification is required, and the Company fails to respond within sixty (60) days to a written request for indemnity, the Company shall be deemed to have approved the request. If the Company denies a written request for indemnification or advancement of expenses, in whole or in part, or if tender of such request is not made within thirty (30) days (or twenty (20) days in the case of a claim for advancement of expenses), the right to indemnification or advancement of expenses as granted by this Agreement shall be enforceable by the Indemnitee in any court of competent jurisdiction. Such Indemnitee's Expenses incurred in connection with successfully establishing the right to indemnification, in whole or in part, in any such action or in a suit brought by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Company) that the Indemnitee has not met the standards of conduct which make it permissible under the DGCL for the Company to indemnify the Indemnitee for the amount claimed, but the burden of such defense shall be on the Company.

(d) In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Agreement or otherwise, shall be on the Company.

(e) In the event the Company shall be obligated to advance the Expenses for any Proceeding against the Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel approved by the Indemnitee, upon the delivery to the Indemnitee of written notice of its election so to do. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same Proceeding, provided that (i) the Indemnitee shall have the right to employ his or her counsel in any such Proceeding at the Indemnitee's

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expense; and (ii) if (A) the employment of counsel by the Indemnitee has been previously authorized by the Company, (B) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of any such defense or (C) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company.

#### **8. Determination of Right to Indemnification.**

(a) To the extent the Indemnitee has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 4(a), 4(b) or 4(c) of this Agreement or in the defense of any claim, issue or matter described therein, the Company shall indemnify the Indemnitee against Expenses actually and reasonably incurred by him or her in connection therewith.

(b) In the event that Section 8(a) is inapplicable, the Company shall indemnify the Indemnitee unless, and only to the extent that, the Company shall prove by clear and convincing evidence to a forum listed in Section 8(c) below that the Indemnitee has not met the applicable standard of conduct required to entitle the Indemnitee to such indemnification.

(c) The Indemnitee shall be entitled to select the forum in which the validity of the Company's claim under Section 8(b) hereof that the Indemnitee is not entitled to indemnification will be heard from among the following:

- (1) A quorum of the Board consisting of directors who are not parties to the Proceeding for which indemnification is being sought;
- (2) The stockholders of the Company;
- (3) Legal counsel selected by the Indemnitee and reasonably approved by the Board, which counsel shall make such determination in a written opinion;
- (4) A panel of three arbitrators, one of whom is selected by the Company, another of whom is selected by the Indemnitee and the last of whom is selected by the first two arbitrators so selected.

(d) As soon as practicable, and in no event later than 30 days after written notice of the Indemnitee's choice of forum pursuant to Section 8(c) above, the Company shall, at its own expense, submit to the selected forum in such manner as the Indemnitee or the Indemnitee's counsel may reasonably request, its claim that the Indemnitee is not entitled to indemnification; and the Company shall act in the utmost good faith to assure the Indemnitee a complete opportunity to defend against such claim.

(e) Notwithstanding a determination by any forum listed in Section 8(c) hereof that the Indemnitee is not entitled to indemnification with respect to a specific Proceeding, the Indemnitee shall have the right to apply to the Court of Chancery of Delaware, the court in which that Proceeding is or was pending or any other court of competent jurisdiction, for the purpose of enforcing the Indemnitee's right to indemnification pursuant to the Agreement.

(f) The Company shall indemnify the Indemnitee against all Expenses incurred by the Indemnitee in connection with any hearing or Proceeding under this Section 8 involving the Indemnitee and against all Expenses incurred by the Indemnitee in connection with any other Proceeding between the Company and the Indemnitee involving the interpretation or enforcement of the rights of the Indemnitee under this Agreement unless a court of competent jurisdiction finds that each of the material claims and/or defenses of the Indemnitee in any such Proceeding was frivolous or not made in good faith.

**9. Limitation of Actions and Release of Claims.** No Proceeding shall be brought and no cause of action shall be asserted by or on behalf of the Company or any Subsidiary against the Indemnitee, his or her spouse, heirs, estate, executors or administrators after the expiration of one year from the act or omission of the Indemnitee upon which such Proceeding is based; however, in a case where the Indemnitee fraudulently conceals the facts underlying such cause of action, no Proceeding shall be brought and no cause of action shall be asserted after the expiration of one year from the earlier of (i) the date the Company or any Subsidiary of the Company

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discovers such facts, or (ii) the date the Company or any Subsidiary of the Company could have discovered such facts by the exercise of reasonable diligence. Any claim or cause of action of the Company or any Subsidiary of the Company, including claims predicated upon the negligent act or omission of the Indemnitee, shall be extinguished and deemed released unless asserted by filing of a legal action within such period. This Section 9 shall not apply to any cause of action which has accrued on the date hereof and of which the Indemnitee is aware on the date hereof, but as to which the Company has no actual knowledge apart from the Indemnitee's knowledge.

**10. Exceptions.** Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) *Claims Initiated by Indemnitee.* To indemnify or advance Expenses to the Indemnitee with respect to Proceedings or claims initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145, but such indemnification or advancement of Expenses may be provided by the Company in specific cases if the Board of Directors finds it to be appropriate; or

(b) *Lack of Good Faith.* To indemnify the Indemnitee for any Expenses incurred by the Indemnitee with respect to any Proceeding instituted by the Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by the Indemnitee in such Proceeding was not made in good faith or was frivolous; or

(c) *Unauthorized Settlements.* To indemnify the Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding unless the Company consents to such settlement; or

(d) *Claims by the Company for Willful Misconduct.* To indemnify the Indemnitee under this Agreement for any Expenses incurred by the Indemnitee with respect to any Proceeding or claim brought by the Company against the Indemnitee for willful misconduct, unless a court of competent jurisdiction determines that such claim was not made in good faith or was frivolous; or

(e) *Section 16(b).* To indemnify Indemnitee for Expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute; or

(f) *Willful Misconduct.* To indemnify the Indemnitee on account of the Indemnitee's conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest, or to constitute willful misconduct; or

(g) *Unlawful Indemnification.* To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful; or

(h) *Forfeiture of Certain Bonuses and Profits.* To indemnify Indemnitee for the payment of amounts required to be reimbursed to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any similar successor statute.

**11. Nonexclusivity.** The provisions for indemnification and advancement of Expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, the vote of the Company's stockholders or disinterested directors, other agreements, or otherwise, both as to actions in his or her official capacity and to actions in another capacity while occupying his or her position as an Agent of the Company, and the Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an Agent of the Company and shall inure to the benefit of the heirs, executors and administrators of the Indemnitee.

**12. Interpretation of Agreement.** It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law.

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**13. Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality and enforceability of the remaining provisions of the Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 12 hereof.

**14. Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

**15. Successors and Assigns.** The terms of this Agreement shall bind, and shall inure to the benefit of, the successors, heirs, executors, and administrators and assigns of the parties hereto.

**16. Notice.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and received for by the party addressee or (ii) if mailed by certified or registered mail with postage prepaid, on the third business day after the mailing date. Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice.

**17. Governing Law.** This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

**18. Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is determined by the members of the Board of Directors of the Company who are not parties to any action with respect to which such amounts are incurred to be fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company and Indemnitee in connection with such event(s) and/or transaction(s).

**19. Consent to Jurisdiction.** The Company and the Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action or Proceeding which arises out of or relates to this Agreement.

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The parties hereto have entered into this Indemnity Agreement effective as of the date first above written.

CHAPARRAL ENERGY, INC.

By: \_\_\_\_\_

Its:

INDEMNITEE:

\_\_\_\_\_

**CERTIFICATION**

I, K. Earl Reynolds, Chief Executive Officer of Chaparral Energy, Inc., certify that:

1. I have reviewed this annual report on Form 10-K/A of Chaparral Energy, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 29, 2019

By: /s/ K. Earl Reynolds  
K. Earl Reynolds  
Chief Executive Officer

**CERTIFICATION**

I, Scott Pittman, Chief Financial Officer of Chaparral Energy, Inc., certify that:

1. I have reviewed this annual report on Form 10-K/A of Chaparral Energy, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 29, 2019

By: /s/ Scott Pittman  
Scott Pittman  
Chief Financial Officer