As filed with the Securities and Exchange Commission on November 18, 2022

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BKV CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**1311**	**85-0886382**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1200 17th Street, Suite 2100
Denver, Colorado 80202
(720) 375-9680

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Christopher P. Kalnin
Chief Executive Officer
BKV Corporation
1200 17th Street, Suite 2100
Denver, Colorado 80202
(720) 375-9680

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Samantha H. Crispin
M. Preston Bernhisel
Adorys Velazquez
Baker Botts L.L.P.
2001 Ross Avenue, Suite 900
Dallas, Texas 75201
(214) 953-6500

Michael Chambers
Monica E. White
Latham & Watkins LLP
811 Main Street, Suite 3700
Houston, Texas 77002
(713) 546-5400

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an 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 7(a)(2)(B) of the Securities Act. ☒

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Subject to completion, dated , 2022

PRELIMINARY PROSPECTUS

Shares

BKV Corporation

Common Stock

This is the initial public offering of common stock of BKV Corporation, a Delaware corporation. Prior to this offering, there has been no public market for our common stock. We anticipate that the initial public offering price will be between $ and $ per share. We intend to apply to list our common stock on the New York Stock Exchange ("NYSE") under the symbol "BKV."

We have granted the underwriters a 30-day option to purchase up to additional shares from us at the initial public offering price, less the underwriting discounts and commissions.

We are an "emerging growth company" as the term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements. See "*Prospectus Summary—Implications of Being an Emerging Growth Company.* "

Upon completion of this offering, affiliates of Banpu Public Company Limited will beneficially own approximately % of the voting power of the outstanding shares of our common stock. As a result, we will be a "controlled company" within the meaning of the NYSE rules. See "*Management—Controlled Company*."

Investing in our common stock involves risks, including those described under " *Risk Factors*" beginning on page 37 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount and commissions(1)	$	$
Proceeds to us before expenses	$	$

(1) The underwriters will also be reimbursed for certain expenses incurred in this offering. See "*Underwriting*" for additional information regarding underwriting compensation.

Neither the Securities and Exchange Commission nor any securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of our common stock on or about , 2022.

Joint Book-Running Managers

Credit Suisse **BofA Securities** **Barclays**

Citigroup **Evercore ISI** **Jefferies**

Co-Managers

TPH&Co. **Susquehanna Financial Group, LLLP** **SMBC Nikko**


BKV
Straight.
Forward.
Energy.

TABLE OF CONTENTS

Dealer Prospectus Delivery Obligation

Through and including , 2022 (the 25th day after the date of this prospectus), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

You should rely only on the information contained in this prospectus or in any free writing prospectus that we authorize to be distributed to you. We and the underwriters have not authorized anyone to provide you with any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you, and neither we, nor the underwriters take responsibility for any other information others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The information in this prospectus or any free writing prospectus is accurate only as of its date, regardless of its time of delivery or the time of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Industry and Market Data

In this prospectus, we present certain market and industry data. This information is based on third-party sources which we believe to be reliable as of their respective dates. Neither we nor the underwriters have independently verified any third-party information. Some data is also based on our good faith estimates. Expectations of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "*Risk Factors*." These and other factors could cause future performance to differ materially from our expectations. See "*Cautionary Statement Regarding Forward-Looking Statements*."

Presentation of Financial, Reserve and Operating Data

Unless indicated otherwise, the historical financial information presented in this prospectus is that of BKV Corporation and its consolidated subsidiaries as of December 31, 2021 or September 30, 2022, as applicable. The pro forma financial information presented in this prospectus presents the combination of the historical consolidated financial statements of the Company, as adjusted to give effect to the Exxon Barnett Acquisition, the related financing under the Term Loan Credit Agreement and the $75 Million Loan Agreement (each as defined herein). Please see "*Unaudited Pro Forma Condensed Combined Consolidated Financial Statements*" included elsewhere in this prospectus.

The historical natural gas, NGL and oil reserves data presented in this prospectus as of September 30, 2022 and December 31, 2021 and 2020 is based on the reserve reports prepared by Ryder Scott Company, L.P., independent petroleum engineers.

In addition, unless indicated otherwise, the operational data presented in this prospectus is that of BKV Corporation and its consolidated subsidiaries on a consolidated basis as of and for the periods presented.

As a result of our acquisition transactions in recent years, our historical operating, financial and reserve data may not be comparable between periods presented in this prospectus. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors that Affect Comparability of Our Results of Operations*."

Trademarks and Trade Names

We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, service marks and trade names.

Rounding and Percentages

The financial information and certain other information presented in this prospectus have been rounded to the nearest whole number or the nearest decimal. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column in certain tables in this prospectus. In addition, certain percentages presented in this prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers or may not sum due to rounding.

Other Considerations

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Statements*" for additional information regarding these risks.

You should read this prospectus and any written communication prepared by us or on our behalf in connection with this offering, together with the additional information described in the section of this prospectus titled "*Where You Can Find More Information*." We have not authorized anyone to provide you with information or to make any representation in connection with this offering other than those contained herein. If anyone makes any recommendation or gives any information or representation regarding this offering, you should not rely on that recommendation, information or representation as having been authorized by us, the underwriters or any other person on our behalf. The information contained in this prospectus is accurate only as of the date of which it is shown, or if no date is otherwise indicated, the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our shares of common stock. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. Our business, financial condition, results of operations and prospects may have changed since that date. Information contained on our website is not part of this prospectus.

No action is being taken in any jurisdiction outside the United States to permit a public offering of shares of common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to that jurisdiction.

Glossary of Oil and Natural Gas Terms

The following are abbreviations and definitions of certain terms used in this prospectus, which are commonly used in the oil and natural gas industry:

"***Bbl***" refers to one stock tank barrel, of 42 U.S. gallons liquid volume, used in this prospectus in reference to crude oil or other liquid hydrocarbons.

"***Bcf***" refers to one billion cubic feet of natural gas or CO_2.

"***Bcfe***" refers to one billion cubic feet of natural gas equivalent.

"***Btu***" refers to British thermal unit, which is the heat required to raise the temperature of one pound of liquid water by one degree Fahrenheit.

"***CCUS***" refers to carbon capture, utilization and sequestration.

"***CO_2***" refers to carbon dioxide.

"***CO_2e***" refers to carbon dioxide equivalent.

"***developed acreage***" refers to the number of acres that are allocated or assignable to productive wells or wells capable of production.

"***dry hole***" refers to a well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

"***Effective NRI***" refers to our share of leasehold ownership after all burdens, such as royalty and overriding royalty interests, have been deducted from the working interest, weighted by our net acres owned in the Barnett from the assets acquired in the Devon Barnett Acquisition and the Exxon Barnett Acquisition.

"***gross acres***" or "***gross wells***" refers to the total acres or wells, as the case may be, in which a working interest is owned.

"***IPIECA***" refers to the International Petroleum Industry Environmental Conservation Association.

"***lean gas***" refers to natural gas that contains a few or no liquefiable liquid hydrocarbons.

"***LNG***" refers to liquefied natural gas.

"***Maintenance Reinvestment Rate***" for any period refers to the maximum rate of our total cash paid for upstream capital expenditures (excluding leasehold costs and acquisitions) for such period as a percentage of Adjusted EBITDAX for the same period that is necessary to hold our production for such period flat.

"***MBbls***" refers to one thousand barrels of crude oil or other liquid hydrocarbons.

"***Mcf***" refers to one thousand cubic feet.

"***Mcf/d***" refers to one thousand cubic feet per day.

"***Mcfe***" refers to one thousand cubic feet of natural gas equivalent.

"***MMBtu***" refers to one million Btus.

"***MMcf***" refers to one million cubic feet.

"***MMcf/d***" refers to one million cubic feet per day.

"***MMcfe***" refers to one million cubic feet of natural gas equivalent, calculated by converting barrels of crude oil or other liquid hydrocarbons to natural gas at a ratio of one Bbl to six Mcf of natural gas. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

"***MMcfe/d***" refers to one million cubic feet of natural gas equivalent per day.

"***MMscf***" refers to one million standard cubic feet.

"***MMscf/d***" refers to one million standard cubic feet per day.

"***MMscfe/d***" refers to one million standard cubic feet of natural gas equivalent per day.

"***Mtpa***" refers to million metric tons of LNG per year.

"***Mtpy***" refers to million metric tons per year.

"***net acres***" refers to the percentage of total acres an owner has out of a particular number of acres, or a specified tract. For example, an owner who has 50% interest in 100 acres owns 50 net acres.

"***net operated development well***" refers to a gross operated development well that has been drilled, proportionately reduced by our working interest in such well.

"***NGL***" refers to natural gas liquids.

"***NYMEX***" refers to the New York Mercantile Exchange.

"***OPEC***" refers to the Organization of the Petroleum Exporting Countries.

"***possible reserves***" means those additional reserves that analysis of geoscience and engineering data suggest are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved plus probable plus possible reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the estimate of proved plus probable plus possible reserves.

"***probable reserves***" means those additional reserves that analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the estimate of proved plus probable reserves.

"***proved developed non-producing reserves***" means reserves (i) expected to be recovered from zones capable of producing but which are shut-in because no market outlet exists at the present time or whose date of connection to a pipeline is uncertain, (ii) wells not capable of producing for mechanical reasons or (iii) currently behind the pipe in existing wells and will require additional completion work or future re-completion, in each case, which are considered proved by virtue of successful testing or production of offsetting wells.

"***proved developed reserves***" or "***PDP reserves***" refers to reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

"***proved reserves***" refers to the estimated quantities of oil, natural gas and NGLs which geological and engineering data demonstrate with reasonable certainty to be commercially recoverable in future years from known reservoirs under existing economic and operating conditions and prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. For a complete definition of proved crude oil and natural gas reserves, refer to the SEC's Regulation S-X, Rule 4-10(a)(22).

"***proved undeveloped reserves"*** or "***PUD reserves***" refers to proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion. Undrilled locations can be classified as having proved undeveloped reserves only if a development plan has been adopted indicating that such locations are scheduled to be drilled within five years, unless specific circumstances justify a longer time.

"***rich gas***" refers to natural gas containing heavier hydrocarbons than a lean gas.

"***Scope 1 emissions***" refers to direct GHG emissions that occur from sources that are controlled or owned by an organization.

"***Scope 2 emissions***" refers to indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

"***Scope 3 emissions***" refers to GHG emissions that result from the end use of an organization's products, as well as emissions from other business activities from assets not owned or controlled by the organization but that the organization indirectly impacts in its value chain.

"***Tcfe***" refers to one trillion cubic feet of natural gas equivalent.

"***undeveloped acreage***" refers to acreage under lease on which wells have not been drilled or completed such that there is not production of commercial quantities of hydrocarbons.

"***Upstream Reinvestment Rate***" for any period refers to our total cash paid for upstream capital expenditures (excluding leasehold costs and acquisitions) for such period as a percentage of Adjusted EBITDAX for the same period.

"***working interest***" refers to the right granted to the lessee of a property to explore for and to produce and own natural gas or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty, or carried basis.

Commonly Used Defined Terms

As used in this prospectus, unless the context indicates or otherwise requires, the terms listed below have the following meanings:

"***Banpu***" refers to our sponsor, Banpu Public Company Limited, a public company listed on the Stock Exchange of Thailand and the ultimate parent company of BKV Corporation, Banpu, Banpu Power and BPPUS.

"***Banpu Power***" refers to Banpu Power Public Company Limited, a public company listed on the Stock Exchange of Thailand. Banpu owns approximately 78.66% of Banpu Power as of September 30, 2022.

"***Barnett***" refers to the Barnett Shale in the Fort Worth Basin of Texas.

"***BKV Barnett***" refers to BKV Barnett LLC, a Delaware limited liability company and wholly owned subsidiary of BKV O&G.

"***BKV Chaffee***" refers to BKV Chaffee Corners, LLC, a Delaware limited liability company and wholly owned subsidiary of BKV O&G.

"***BKV Chelsea***" refers to BKV Chelsea, LLC, a Delaware limited liability company and wholly owned subsidiary of BKV O&G.

"***BKV dCarbon Ventures***" refers to BKV dCarbon Ventures, LLC, a Delaware limited liability company and the CCUS business of BKV Corporation.

"***BKVerde***" refers to BKVerde, LLC, a Delaware limited liability company and wholly owned subsidiary of BKV dCarbon Ventures.

"***BKV Midstream***" refers to BKV Midstream, LLC, a Delaware limited liability company and wholly owned subsidiary of BKV Corporation.

"***BKV O&G***" refers to BKV Oil and Gas Capital Partners, L.P., a Delaware limited partnership and wholly owned subsidiary of BKV Corporation.

"***BKV Operating***" refers to BKV Operating, LLC, a Delaware limited liability company and wholly owned subsidiary of BKV O&G.

"***BKV-BPP Power***" or "***BKV-BPP Power Joint Venture***" refers to BKV-BPP Power LLC, a Delaware limited liability company and the joint venture between BKV Corporation and BPPUS, in which we own a 50% interest.

"***BNAC***" refers to Banpu North America Corporation, a subsidiary of Banpu, our sponsor, and the majority stockholder of BKV Corporation.

"***BPPUS***" refers to Banpu Power US Corporation, a wholly owned subsidiary of Banpu Power and the owner of a 50% interest in the BKV-BPP Power Joint Venture.

"***bylaws***" refers to the amended and restated bylaws of BKV Corporation to be adopted in connection with the consummation of this offering.

"***certificate of incorporation***" refers to the second amended and restated certificate of incorporation of BKV Corporation to be adopted in connection with the consummation of this offering.

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

"***Data Lake***" refers to a centralized cloud, large data technology that stores all company data and enables dashboards, visualizations, and analytics from a variety of systems and inputs.

"***ERCOT***" refers to the Electric Reliability Council of Texas.

"***ESG***" refers to environmental, social and governance.

"***FID***" refers to final investment decision.

"***GAAP***" refers to generally accepted accounting principles in the United States.

"***GHG***" refers to greenhouse gases.

"***governing documents***" refers to our certificate of incorporation and our bylaws.

"***HRCO***" refers to a contract for the financial purchase and sale of power based on a floating price of natural gas at a predetermined location using a predetermined conversion factor, or heat rate, required to turn the fuel input into electricity.

"***Kalnin Ventures***" refers to Kalnin Ventures LLC, a Colorado limited liability company and wholly owned subsidiary of BKV Corporation.

"***NEPA***" refers to the Marcellus Shale in the Appalachian Basin of Northeast Pennsylvania.

"***net zero***" refers to the full elimination and/or offset of Scope 1 and Scope 2 emissions in our owned and operated upstream businesses.

"***NGP***" refers to natural gas processing.

"***Ryder Scott***" refers to Ryder Scott Company, L.P., independent petroleum engineers.

"***SREC***" refers to Solar Renewable Energy Credit, which represents a form of environmental attribute associated with solar energy generation, which can be marketed for financial gain to improve project economics or retired to offset the SREC owners' Scope 2 emissions. For every 1000 kilowatt-hours of electricity produced by an eligible solar facility, one SREC is awarded. For a solar facility to be credited with that SREC, the system must be certified and registered by state agencies.

"***Temple I***" refers to the combined gas turbine and steam turbine power plant located in Temple, Texas and owned by the BKV-BPP Power Joint Venture.

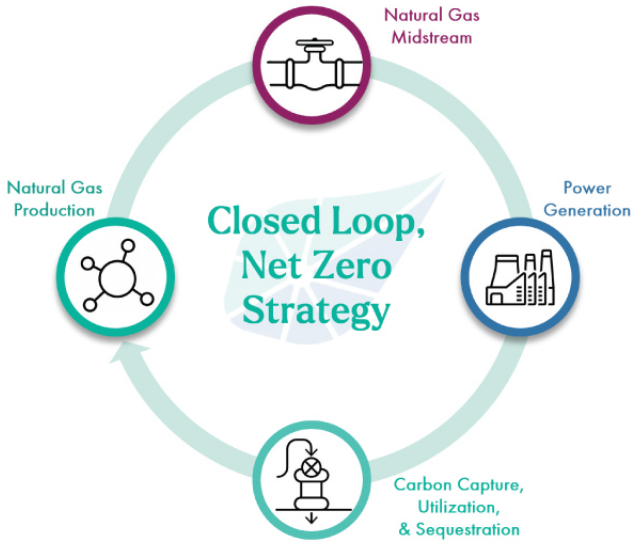
PROSPECTUS SUMMARY

This summary highlights certain information about us and this offering contained elsewhere in this prospectus, but it is not complete and does not contain all of the information you should consider before making an investment decision. In addition to this summary, you should read this entire prospectus carefully, including the sections titled "Risk Factors," "— Summary Historical Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our historical consolidated financial statements and the related notes thereto included elsewhere in this prospectus, before making an investment decision. This summary contains forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements." References in this prospectus to "BKV," the "Company," "we," "us," "our" and like terms are to BKV Corporation, a Delaware corporation, and its wholly owned subsidiaries, unless the context otherwise requires or we otherwise state.

Our Company

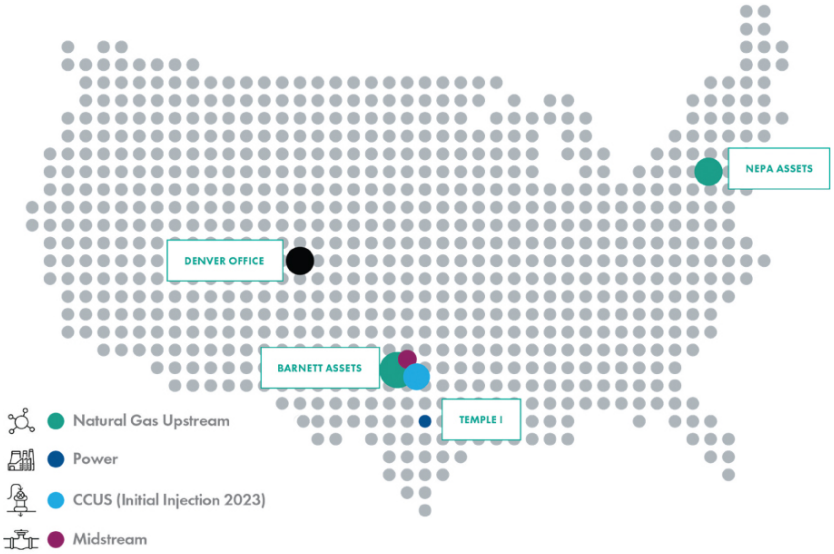
Overview

We are a forward thinking, growth driven energy company focused on creating value for our stockholders through the organic development of our properties as well as accretive acquisitions. Our core business is to produce natural gas from our owned and operated upstream businesses, which we expect to achieve net zero Scope 1 and Scope 2 emissions by the end of 2025. We maintain a "closed-loop" approach to our net zero emissions goal with our four business lines: natural gas production, natural gas gathering, processing and transportation (our "natural gas midstream business"), power generation and carbon capture, utilization and sequestration ("CCUS"). We are committed to building a vertically integrated business to reduce costs and improve overall commercial optimization of the full value chain. For instance, our natural gas production in the Barnett is gathered and transported through our midstream systems, and we are seeking to establish arrangements to supply our natural gas production directly to the BKV-BPP Power Joint Venture. We believe that our differentiated business model, net zero emissions focus, highly experienced management team and technology-driven approach to operating our business will enable us to create stockholder value.



We understand the impact climate change has on our community, the world and future generations, which is why addressing these impacts in how energy is produced is a top priority. In particular, it is one of our core values, “Be One BKV,” to create a unified team with a shared vision to achieve our ESG goals.

BKV Assets



Overview of BKV Assets

Natural Gas

	Nine Months Ending Sept '22 Net Production (MMcfe/d)	Sept '22 SEC 1P Reserves (Tcfe)	Producing Wells	Net Acres
Barnett	731	5.4	6,975	468,000
NEPA	133	0.93	408	37,000
Total	864	6.33	7,383	505,000

Operated Midstream

	As of Sept '22 Throughput (Mmcf/d)	Pipeline Miles	Midstream Compressors
Barnett	220	778	65

Power

	Location	Heat Rate Btu/kWh	Capacity MW+
Temple 1	Bell County, TX	6,950	755

Our Operations

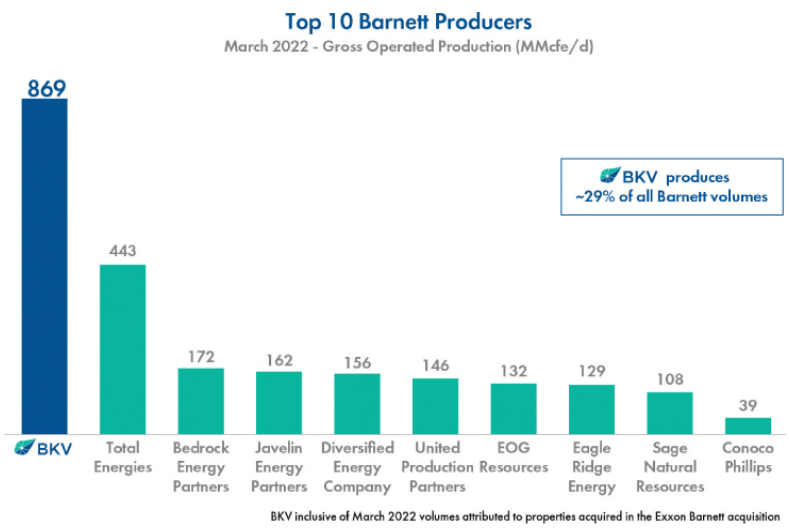
Natural Gas Production

We are engaged in the acquisition, operation and development of natural gas and NGL properties primarily located in the Barnett Shale in the Fort Worth Basin of Texas (the "Barnett") and in the Marcellus Shale in the Appalachian Basin of Northeastern Pennsylvania ("NEPA"). Our upstream assets are the core of our business and provide us with substantial Adjusted Free Cash Flow, which we expect will be sufficient to fund our capital expenditure program, enhance stockholder value and support future acquisitions across our four business lines while maintaining a conservative balance sheet. We have a balanced portfolio of low decline producing properties and undeveloped inventory, primarily in the Barnett. Additionally, our focus on operational efficiencies, access to BKV-owned and third-party midstream systems, and proximity to natural gas demand markets along the Gulf Coast and Northeast corridor allow us to generate high margins.

As of September 30, 2022, our total acreage position was approximately 505,000 net acres, 99% of which was held by production. As of September 30, 2022, our net daily production (after giving effect to the Exxon Barnett Acquisition) averaged 864 MMcfe/d, consisting of approximately 79% natural gas and approximately 21% NGLs. As of September 30, 2022, our total proved reserves of 6,332 Bcfe had an estimated 7% year-over-year average base decline rate over the next 10 years. We have more than 10 years of core inventory remaining, with attractive returns, based on a 1 to 1.5 rigs per year pace, including 196 proved undeveloped, 162 probable and 150 possible horizontal locations, and 652 proved developed non-producing, 738 probable, and 294 possible refracture ("refrac") candidates. Based on current commodity prices, the capital investment required to hold production flat year-over-year is less than approximately 30% of our annual Adjusted EBITDAX. Adjusted EBITDAX is not a financial measure calculated in accordance with GAAP. See "— *Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of this measure and a reconciliation to the most directly comparable GAAP measure.

We entered the Barnett in October 2020 with our acquisition of more than 289,000 net acres and 3,850 producing operated wells and related upstream assets (the "2020 Barnett Assets") from Devon Energy Corporation ("Devon Energy"). On June 30, 2022, we further scaled our Barnett position by acquiring approximately 175,000 net acres, 2,100 operated wells and related upstream, midstream and other assets in the Exxon Barnett Acquisition. As of September 30, 2022, our Barnett acreage position was approximately 468,000 net acres, which is approximately 99% held by production. Our average daily Barnett production of approximately 731 MMcfe/d for the nine months ended September 30, 2022 consisted of 75% natural gas and 25% NGLs. We had an average working interest in our operated wells in the Barnett of approximately 96.1% as of September 30, 2022 and an Effective NRI in the Barnett of approximately 80.37%.

We are the largest natural gas producer by gross operated volume in the Barnett. Based on information published by the Texas Railroad Commission ("TRRC"), the chart below illustrates our gross operated production volumes in the Barnett (including the Exxon Barnett Acquisition), which represent approximately 29% of the total Barnett production, and nearly double that of the next largest producer in the Barnett for the month of March 2022.



We entered NEPA in 2016 and have subsequently scaled our position through 12 acquisitions. As of September 30, 2022, our acreage position was approximately 37,000 net acres, which is approximately 94% held by production. Our average net daily production of 133 MMcfe/d for the nine months ended September 30, 2022 consisted entirely of natural gas. We had an average working interest in our operated wells in NEPA of 89%, as of September 30, 2022.

Natural Gas Midstream

Through our ownership in midstream systems, we are engaged in the gathering, processing and transportation of natural gas (which we refer to as our natural gas midstream business) that supports our upstream assets and third-party producers in the Barnett and NEPA. Our midstream assets improve our overall corporate returns by enhancing our margins and lowering our break-even operating costs while allowing us to manage the timing, development and optimization of production of our upstream assets. In the Barnett, as of September 30, 2022, approximately 220 MMcf/d of our gross production (approximately 29% of our total gross Barnett production) was gathered and processed by our owned Barnett midstream system, which includes approximately 778 miles of gathering pipeline, 65 midstream compressors and one amine processing unit. Additionally, our owned Barnett midstream system has over 200 MMcf/d in unutilized pipeline and processing capacity, providing room to increase throughput (from our own production and for third-party volumes) while maintaining optimal operating pressure with limited additional capital investment required. We also believe we have ample dedicated capacity on third party midstream systems for our expected production and future development. In NEPA, as of September 30, 2022, we had an approximate 29.4% non-operated ownership interest in a midstream system, which is operated by subsidiaries of Repsol Oil & Gas (“Repsol”), with throughput of approximately 174 MMcf/d, and we separately own and operate approximately 16 miles of natural gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units.

Power Generation

We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which owns Temple I, a newly-constructed, modern combined cycle gas and steam turbine power plant located in the Electric Reliability Council of Texas (“ERCOT”) North Zone in Temple, Texas. The remaining 50% interest is owned by BPPUS, a wholly owned subsidiary of Banpu Power and an affiliate of our sponsor, Banpu. Temple I has an annual average power generation capacity of 755 MW and delivers power to customers on the ERCOT power network in Texas. Temple I is among the most efficient generators supplying power to ERCOT, with a baseload design heat rate of approximately 6,950 Btu/kWh, which is well below the ERCOT Combined

Cycle Gas Turbines ("CCGT") average. Temple I's modern technology enables it to respond to rapidly changing market signals in real time by minimizing congestion risk and ensuring the highest operational readiness during the time when electricity consumption peaks (in winter and summer), making it well-suited to serve the various needs of the ERCOT market. We expect our power generation assets will be synergistic with our base upstream business. In the near term, we will seek to establish midstream contracts that allow us to supply our own natural gas directly to Temple I and its firm intrastate natural gas storage service at the Bammel storage facility. Supplying our own natural gas to Temple I will reduce gas transportation costs and create reciprocal natural hedges for both businesses via vertical integration. Additionally, we leverage our existing organization to provide marketing, engineering, finance, accounting and other administrative services to the BKV-BPP Power Joint Venture for an annual fee plus expenses. In addition, the BKV-BPP Power Joint Venture is in the process of developing a retail marketing business to sell electricity to commercial, industrial, and residential retail customers in Texas through its wholly owned subsidiary, BKV-BPP Retail, LLC, and has recently received the necessary approvals from the Public Utility Commission of Texas and ERCOT to do so. We intend to continue to build out our power generation business through opportunistic acquisitions of power generation assets and to expand into retail power, which would enable us to ultimately provide net zero wellhead-to-household energy to the end-consumer.

Carbon Capture, Utilization and Sequestration

Through our CCUS business, we aim to reduce man-made GHG emissions by capturing CO_2 emitted in connection with natural gas activities, whether from our own operations or third party operations, as well as from other energy and industrial sources. Our process involves capturing CO_2 before it is released into the atmosphere and then compressing the captured CO_2 and transporting it via pipeline to sites where it can be injected into underground injection control ("UIC") wells. Although we formally launched our CCUS business in March 2022 with the establishment of BKV dCarbon Ventures, we have been evaluating project opportunities and developing our CCUS business for over 20 months. The development of our CCUS business has progressed rapidly, supported by internal engineering, business development and regulatory professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, we will begin generating positive CCUS business returns via tax credits and other tax benefits by the end of 2023, and we expect to begin generating positive Adjusted EBITDAX in 2025. We currently expect to be capable of funding our entire CCUS business with cash flows from operations, as well as from a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants.

We seek to execute CCUS projects with attractive standalone economics for high, medium and low CO_2 concentration streams that contribute to our goals of the full elimination and/or offset of the Scope 1 and 2 emissions in our owned and operated upstream businesses by the end of 2025 and of the Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. We estimate that our owned and operated upstream Scope 1 and 2 emissions were approximately 2.2 Mtpy CO_2e as of September 30, 2022 and that our owned and operated upstream Scope 1, 2 and 3 emissions were approximately 16.1 Mtpy CO_2e as of September 30, 2022. See "— *Path to Net Zero Emissions*" below for a description of how we estimate our Scope 1, 2 and 3 emissions. Additionally, we have identified twelve potential CCUS projects that we believe are commercially viable based on economics supported by the carbon tax credits available under Section 45Q of the Code ("Section 45Q tax credits") and that we believe can be completed by 2029 in order to achieve our Scope 1, 2 and 3 emissions goals. Of these twelve identified projects:

- we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, which have a combined forecasted sequestration volume of approximately 0.27 Mtpy CO_2e by the end of 2024;
- three are natural gas processing ("NGP") projects that we anticipate reaching FID by December 31, 2023 and, if FID is approved, achieving forecasted sequestration volume of approximately 1.39 Mtpy CO_2e by the end of 2025;
- three are higher concentration industrial projects that we anticipate reaching FID by the end of 2023 and, if FID is approved, achieving first sequestration between 2026 and 2029 and which have a combined forecasted sequestration volume of approximately 14.5 Mtpy CO_2e; and

- four other CCUS projects are under evaluation that have a combined forecasted sequestration volume of approximately 13.24 Mtpy CO_2e.

In addition, we expect to continuously identify and evaluate additional CCUS projects. While the aggregate forecasted volume of carbon capture and sequestration from our twelve identified potential CCUS projects is approximately 30 Mtpy CO_2e, which is more than our current Scope 1, 2 and 3 emissions from our owned and operated upstream businesses, we do not anticipate achieving an aggregate yearly volume of sequestration of 30 Mtpy CO_2e by the early 2030s and there can be no guarantee that we will be able to execute and complete any of the twelve identified CCUS projects (or any other CCUS projects) with sufficient volumes of CO_2e sequestration to achieve our Scope 1, 2 and 3 emissions goals on the timelines we anticipate. Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified above and may not be able to reach agreement on terms acceptable to us, or to achieve our projected timeline for commercial operations. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business* ."

Barnett Zero Project

In June 2022, we reached FID and entered into a definitive agreement in connection with our first high concentration CCUS project in the Barnett with EnLink Midstream, LLC ("EnLink"). This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production. In the Barnett Zero Project, EnLink will transport our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO_2 waste stream will be captured, compressed and then sequestered via our nearby injection well. We expect the Barnett Zero Project to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We estimate this initial CCUS project will represent more than 8% of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, with the first injection scheduled for the second half of 2023. Following commencement of commercial operations of our project with EnLink, we intend to use this project as a prototype for modular projects that can be repeated and quickly scaled.

Cotton Cove Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described above. As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project

represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025. See "— *Path to Net Zero Emissions*."

BKVerde

In August 2022, we entered into a development agreement with Verde CO2 CCS, LLC ("Verde CO2"), an independent carbon capture and sequestration developer and operator, to identify, evaluate and develop additional CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement. We currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, LLC ("BKVerde"), a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate a pipeline of feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations. See "*— Recent Developments — CCUS Project Development with Verde CO2*."

Additional Projects

In addition to the Barnett Zero Project and the Cotton Cove Project, we have identified three potential NGP projects that we expect to reach FID by year end 2023. A significant portion of the carbon capture infrastructure and midstream infrastructure necessary to execute these potential NGP projects already exists. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable, we expect these projects to start sequestration operations before December 31, 2025. We expect these three NGP projects to have individual sequestration volumes of approximately 0.29, 0.5 and 0.6 Mtpy CO_2e, respectively, and a combined aggregate sequestration volume of approximately 1.39 Mtpy CO_2e. The volume of forecast sequestration from these projects, together with approximately 0.27 Mtpy CO_2e expected to be sequestered by the Barnett Zero Project and the Cotton Cove Project (all together having a combined forecast sequestration volume of approximately 1.66 Mtpy CO_2e), would be capable of offsetting more emissions by December 31, 2025 than our remaining Scope 1 and 2 emissions from our owned and operated upstream businesses (estimated to be approximately 0.61 Mtpy CO_2e, after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power). See "— *Path to Net Zero Emissions*." However, we have not reached FID or entered into definitive agreements for any of these three additional NGP projects and we may not complete all or any of these three additional NGP projects by December 31, 2025, in which case, we may not be able to achieve our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses by the end of 2025.

We are currently evaluating and have begun commercial discussions with respect to seven additional CCUS projects. Three of these seven additional CCUS projects are potential industrial projects that we anticipate will reach FID by the end of 2023. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect to initiate sequestration operations between 2026 and 2029. We expect these three potential industrial CCUS projects to have a combined aggregate sequestration volume of approximately 14.5 Mtpy CO_2e. We anticipate that the remaining four potential CCUS projects may reach FID during or after 2024. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect such projects to begin sequestration operations between 2026 and 2029. We expect these four potential CCUS projects to have a combined aggregate sequestration volume of approximately 13.24 Mtpy CO_2e. These seven potential CCUS projects have a combined forecasted sequestration volume of approximately 27.74 Mtpy CO_2e. We believe that we will be able to complete a sufficient number of these or other CCUS projects in order to meet our Scope 1, 2 and 3 emissions goals by the early 2030s. See "— *Path to Net Zero Emissions*" for a more detailed description of how we anticipate reaching our Scope 1, 2 and 3 emissions goals.

We estimate the aggregate investment required by us to offset all of our Scope 3 emissions through a sufficient number of the identified potential CCUS projects and associated carbon credits, to be between approximately $1.3 billion and $1.8 billion over the next seven to ten years. We expect to be capable of funding this investment cost through our cash flows from operations, as well as a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants. We are able to moderate the capital required to fund our CCUS business, as our CCUS business model provides flexibility for us to selectively invest in only the sequestration component of a project or in the capture, transportation and sequestration components, depending on the scope of the project. In addition, we anticipate that some of the project costs will be borne by third party investors in these projects, including emitters, landowners and other stakeholders.

We believe we can achieve our goal of net zero Scope 1, 2 and 3 emissions for our owned and operated upstream businesses by the early 2030s if we are able to complete the minimum number of these identified CCUS projects having a sufficient forecasted volume of carbon capture to offset those emissions on the timeline and upon terms that we believe are obtainable. However, large scale CCUS projects are subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all, in which case, we may not be able to achieve our net zero emissions goals on the timelines we have established.

To help us achieve our goal of becoming a leader in CCUS, we established a steering committee that includes two engineers renowned for their work in the development of CCUS projects: Dr. Paitoon (P.T.) Tontiwachwuthikul (Professor of Industrial & Process Systems Engineering & Fellow, Canadian Academy of Engineering) and Dr. Malcolm A. Wilson (Program Director, CO_2 Management, Office of Energy & Environment (OEE), Adjunct Professor of Engineering and Graduate Studies). These individuals are professors at the University of Regina, a leading carbon capture research institution, and each has been engaged in CCUS for over 30 years.

For more information on our CCUS business, see " *Business — Overview — Our Operations — Carbon Capture, Utilization and Sequestration," and "Business — Our Operations — Carbon Capture, Utilization and Sequestration*."

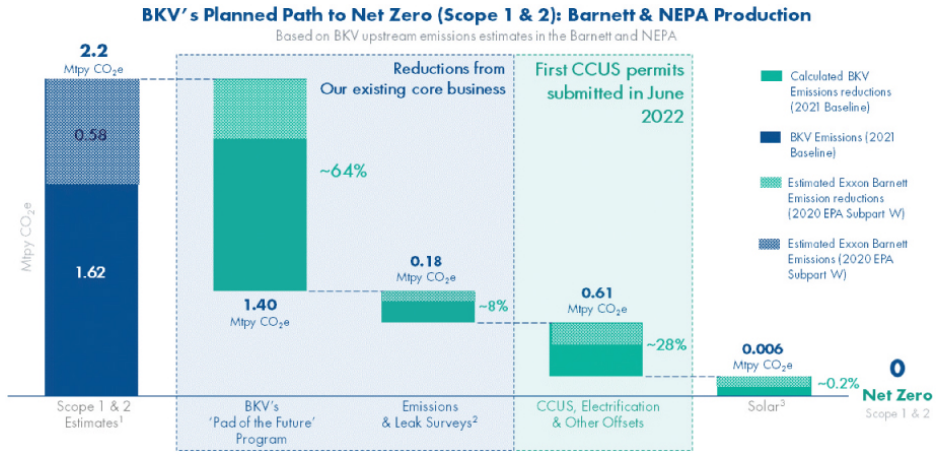
Path to Net Zero Emissions

We estimate that our owned and operated upstream Scope 1 and 2 emissions were approximately 2.2 Mtpy CO_2e as of September 30, 2022. Our estimates are based on information with respect to our operated assets in the Barnett and NEPA through fiscal year 2021 and reported by BKV pursuant to the Subpart W requirements of the federal Clean Air Act GHG reporting program regulations of the U.S. Environmental Protection Agency ("EPA") and supplemented with additional inventories that are not required to be reported under Subpart W, as well as 2020 Subpart W emission information submitted by XTO Energy, Inc. for the assets acquired in the Exxon Barnett Acquisition. We will further evaluate these estimates as a part of our combined Subpart W submission for calendar year 2022 and will factor in additional inventory efforts performed during 2022. These estimates fluctuate throughout the year and will be updated on an annual basis to reflect any changes in inventory, production throughput, and emissions reduction retrofits or equipment modifications.

We estimate that our owned and operated upstream Scope 3 emissions were approximately 13.9 Mtpy CO_2e as of September 30, 2022. Our Scope 3 GHG emissions are currently estimated in accordance with IPIECA's "Sustainability reporting guidance for oil and gas industry", dated March 2020, specifically for Scope 3 emissions as estimated per Category 11 (Use of Sold Product). Scope 3 emissions estimated using source Category 11 represent the majority of Scope 3 emissions from our operations with minor contributions from other source categories. Additionally, our estimated Scope 3 emissions calculations assume that all natural gas produced is combusted and does not account for other potential end use of natural gas. Scope 3 mass emissions are calculated using the EPA's prescribed emissions factors for the speciated natural gas (methane and ethane) as well as NGLs assuming Y-grade NGLs. CO_2e emissions are estimated using AR4 Global Warming Potentials, similar to those used by the EPA. Our projected Scope 3 CO_2e emissions are estimated at an approximated year-end production volume of 900 million standard cubic feet net equivalent per day of gas, with an approximate split of 80% natural gas (95% methane and 5% ethane)

and 20% NGLs. Our NGL constituents are estimated based on average constituent NGL barrel. Allocating the entire 900 million standard cubic feet net equivalent per day towards combustion as the end use, applying suitable combustion emission factors from the EPA, and using AR4 GWPs, Scope 3 emission from our owned and operated upstream operations are estimated to be approximately 13.9 Mtpy CO_2e. We currently engage third party consultants to develop, estimate and review our Scope 3 emissions.

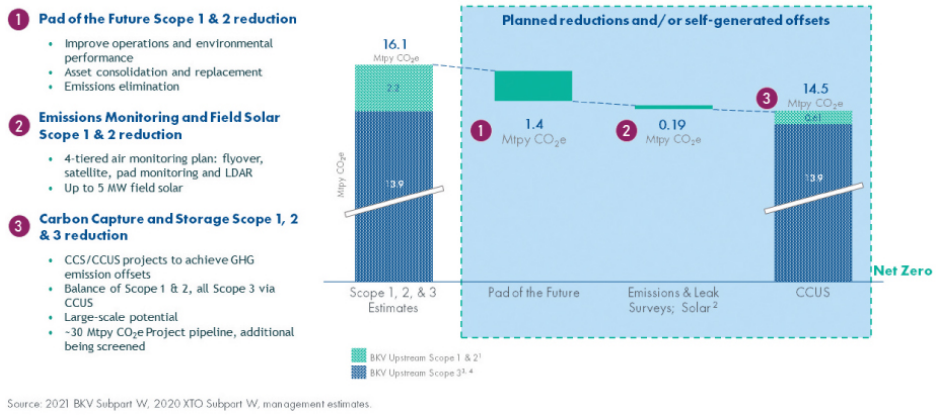
The charts below reflect (i) our owned and operated upstream Scope 1 and 2 emissions estimates as of September 30, 2022, including Scope 1 and 2 emissions estimates from the Exxon Barnett Acquisition, and (ii) our owned and operated upstream Scope 3 emissions estimates as of September 30, 2022, including Scope 3 emissions estimates from the Exxon Barnett Acquisition. These two charts also reflect our intended path to net zero Scope 1 and 2 emissions by the end of 2025 and net zero Scope 1, 2 and 3 emissions by the early 2030s, in each case, for our owned and operated upstream businesses. We intend to achieve these goals through our "Pad of the Future" emissions reductions, emissions and leak surveys, and installing solar power and executing CCUS projects.



(1) Scope 1 and 2 calculated emissions are based on 545 MMscf/d production volume for 2021 BKV Subpart W in the Barnett, 167 MMscf/d production volume for 2021 BKV Subpart W in NEPA, and 352 MMscf/d production volume with respect to the acquired Exxon Barnett assets based on 2020 Subpart W submissions.

(2) Emissions surveys to accomplish a one-to-two month leakage review period versus 12-month period which must have regulatory updates (current proposed OOOO.b,c) to include continuous flyover/satellite technology sensitivities.

(3) Installation of a 2.5 MW to 5 MW solar farm. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW.



Source: 2021 BKV Subpart W, 2020 XTO Subpart W, management estimates.

(1) Scope 1 and 2 calculated emissions are based on 545 MMscf/d production volume for 2021 BKV Subpart W in the Barnett, 167 MMscf/d production volume for 2021 BKV Subpart W in NEPA, and 352 MMscf/d production volume with respect to the acquired Exxon Barnett assets based on 2020 Subpart W submissions.

(2) Emissions surveys to accomplish a one-to-two month leakage review period versus 12-month period which must have regulatory updates (current proposed OOOO.b,c) to include continuous flyover/satellite technology sensitivities. Installation of a 2.5 MW to 5 MW solar farm. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW.

(3) Scope 3 calculated emissions are based on an estimated net production rate of approximately 900 MMscfe/d (approximately 730 MMscf/d of gas and 28,000 Bbl/day of NGLs).

(4) Scope 3 calculated emissions are estimated assuming fuel-based usage of all produced natural gas and NGLs. Approximately 58% of NGLs are assumed to be combusted for fuel while 100% of all natural gas produced is assumed to be combusted for fuel. Scope 3 emissions estimation methodology is therefore considered to be conservative.

Planned Path to Net Zero (Scope 1 and 2)

Our “Pad of the Future” program implements pad level design improvements to reduce pad level usage of natural gas, reduce GHG emissions, and maintain operational continuity. As of September 30, 2022, we had implemented elements of our “Pad of the Future” on approximately 2,200 of our existing wells, thereby eliminating an aggregate of approximately 0.51 Mtpy CO_2e in GHG emissions from commencement in the fourth quarter of 2021 through such date. These reductions are calculated by using our pneumatic and other pad inventories and such emissions are factored to be eliminated once the system has been converted from natural gas supplied to compressed air or electric. We expect to implement elements of our “Pad of the Future” program on more than 6,000 of our existing wells by the end of 2025 for an aggregate estimated cost of approximately $36.9 million. Once this expansion is completed, we expect to eliminate an aggregate of approximately 1.40 Mtpy CO_2e, or approximately 64%, of the currently estimated annual Scope 1 and 2 emissions from our owned and operated upstream businesses.

Our leak detection and repair emissions monitoring program involves continuous ground-based instrument monitoring, satellite-based monitoring, aerial flyovers, and on the ground leak detection and repair inspections. In addition, we expect to install a 2.5 MW to 5 MW solar farm, which is scheduled to begin generating power in the second quarter of 2023. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW. For every 1,000 kilowatt-hours of electricity produced by an eligible solar facility, one SREC is awarded. For a solar facility to be credited with that SREC,

the system must be certified and registered by state agencies. The solar farm is expected to generate enough SRECs that, when combined with our leak detection and repair emissions monitoring program, is expected to eliminate or offset approximately 0.18 Mtpy CO_2e in GHG emissions.

Further, as discussed under "— *Carbon Capture, Utilization and Sequestration"* above, we believe that the Barnett Zero Project and the Cotton Cove Project, together with the three additional NGP projects that we have identified, are capable of offsetting more than the approximately 0.61 Mtpy CO_2e of the Scope 1 and 2 emissions from our owned and operated upstream businesses that we currently estimate will remain after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power. Although no definitive agreements have been entered into with respect to any of these additional NGP projects, we expect all three to reach FID by year end 2023. A significant portion of the carbon capture infrastructure and midstream infrastructure necessary to execute these potential NGP projects already exists. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable, we expect these projects to start sequestration operations before December 31, 2025. We expect these three NGP projects to have individual sequestration volumes of approximately 0.29, 0.5 and 0.6 Mtpy CO_2e, respectively, and a combined aggregate sequestration volume of approximately 1.39 Mtpy CO_2e. The volume of forecast sequestration from these projects, together with approximately 0.27 Mtpy CO_2e expected to be sequestered by the Barnett Zero Project and the Cotton Cove Project (all together having a combined forecast sequestration volume of approximately 1.66 Mtpy CO_2e), would be capable of offsetting more emissions by December 31, 2025 than our remaining Scope 1 and 2 emissions from our owned and operated upstream businesses (estimated to be approximately 0.61 Mtpy CO_2e, after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power). However, we have not reached FID or entered into definitive agreements for any of these additional potential CCUS projects and have not reached FID with respect to any of them. If we are unable to complete any of these three additional CCUS projects by December 31, 2025, we may not be able to achieve our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses by the end of 2025.

Planned Path to Net Zero (Scope 1, 2 and 3)

We also aspire to offset the Scope 3 emissions impact of our owned and operated upstream businesses by the early 2030s, which we estimate to be approximately 13.9 Mtpy CO_2e as of September 30, 2022. As discussed in "— *Carbon Capture, Utilization and Sequestration*," above, we have identified twelve potential CCUS projects that we believe are commercially viable, including the Barnett Zero Project, the Cotton Cove Project and the three potential NGP projects, that we estimate have a combined forecasted volume of carbon capture and sequestration of approximately 30 Mtpy CO_2e (which is more than our current Scope 1, 2 and 3 emissions from our owned and operated upstream businesses). However, there can be no guarantee that we will be able to execute and complete any of these identified CCUS projects. If we are not able to complete CCUS projects having a sufficient forecast volume of carbon capture to offset our Scope 1, 2 and 3 emissions on the timeline and upon terms that we believe are obtainable, we may not be able to achieve our goal of net zero Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. Large scale CCUS projects are subject to numerous risks and uncertainties and there can be no guarantee that we will be able to achieve our net zero Scope 1, 2 and 3 emissions goal.

In addition, although we believe our current path to net zero will be sufficient to reduce emissions related to our existing production, the future growth of our natural gas production, midstream and power assets will result in additional CO_2e emissions. We believe our approach to reducing the emissions of our direct operations is repeatable and scalable. Through continued investment and expansion of our "Pad of the Future" program, our emissions and leak surveys as well as additional CCUS and solar projects, we believe will be able to eliminate and/or offset any such additional emissions resulting from our continued growth.

Business Strategy

Our strategy is to create value for our stockholders by managing and growing our integrated asset base and focusing on our net zero objectives. Our strategy has the following principal elements:

- **Deliver robust returns to stockholders.** We intend to prioritize delivering strong returns to our stockholders through our dividend policy and focus on creating stockholder value. See "*Dividend*

Policy." We believe our operational expertise in successfully drilling and refracturing wells, acquiring and integrating assets purchased at attractive valuations and maintaining financial discipline will underpin our ability to meet our stockholder return goals. Our integrated businesses and natural gas-weighted, low-decline PDP reserves collectively reduce our downside risk while providing asymmetric upside returns from the confluence of commodity price uplift potential, operational improvement and development opportunities, and future accretive acquisition opportunities. The payment of any future dividends on our common stock will be at the discretion of our board of directors and may vary significantly from quarter to quarter and may be zero. Any determination to pay dividends and the amount of any such dividends will depend on, among other factors, the restrictions under our Term Loan Credit Agreement and the Revolving Credit Agreement, as described under "*Dividend Policy*." See "*Risk Factors — Risks Related to the Offering and Our Common Stock*."

- **Optimize the value of our core businesses.** We utilize technology and data analysis to enhance our assets and operations, which we believe improves operational efficiencies, reduces our emissions and helps us realize our operational and financial goals as we continue to scale our business. For example, our "Pad of the Future" program, which includes conversion of natural gas-powered instrument pneumatics to compressed air-powered instruments on existing pads, combined with emission and leak surveys, reduces our GHG emissions by 72%, based on current Scope 1 and 2 emissions from production in our owned and operated natural gas upstream business. Our "Pad of the Future" application also improves pad efficiencies and operating revenue. As of the year ended December 31, 2021, employing technology and operational excellence, we reduced our lease operating costs in the Barnett by 14% since October 2020, and in NEPA by 26% since January 2019, based on prior 12-month rolling averages. Additionally, our refrac and long lateral drill programs have allowed us to organically grow our reserves base. As of September 30, 2022, our Barnett refrac program has added 491 Bcfe of proved reserves since its inception in early 2021, with an estimated 516 Bcfe of probable reserves and 167 Bcfe of possible reserves, at an average of approximately $0.70/Mcfe finding and development costs during 2021. This refrac program employs specifically designed perforating technology and a suite of innovative refrac techniques, as well as advanced refrac designs and diversion methods to maximize reserve recovery and economics from legacy Barnett wells. Our Barnett new well drilling program has added 1.1 Tcfe of proved reserves since our entry into the Barnett, with a total estimate of approximately 669 Bcfe of probable reserves and 360 Bcfe of possible reserves. By combining our reserves into a growing asset base with vertically integrated components, we believe we can enhance margins and create a "closed loop" business that reduces Scope 1 and 2 emissions in our owned and operated upstream businesses and captures margin across the value chain. Estimates of probable and possible reserves are inherently imprecise and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. For more information regarding the presentation of probable and possible reserves, see "*Business — Preparation of Reserve Estimates and Internal Controls*."
- **Grow through opportunistic, synergistic acquisitions.** A significant element of our business strategy is gaining scale through accretive acquisitions. We have a track record of growth through acquisitions, which we believe have been at attractive valuations. Since 2016, we have completed 19 acquisitions and two CCUS partnerships, resulting in greater than a 100% compound annual growth rate of Adjusted EBITDAX as of September 30, 2022. We believe our business model, management team experience and application of technology enable us to quickly and efficiently integrate additional upstream, midstream and power assets into our business.
- **Maintain a disciplined financial strategy.** We believe we can execute on our business plan and grow our business while continuing to generate substantial Adjusted Free Cash Flow. We target a Maintenance Reinvestment Rate of less than 30% and an Upstream Reinvestment Rate of less than 40%. We are focused on our goal of maintaining a conservative financial profile, with a long-term leverage target of less than 1.0x Total Net Leverage Ratio. Although we may allow our leverage ratio to exceed our target in connection with a strategic acquisition, we would seek to return our leverage level to below 1.0x as soon as reasonably possible thereafter through Adjusted Free Cash Flow and, if needed, reduced activity levels. To support the generation of future Adjusted Free Cash Flow, we have a policy of hedging approximately 25% to 60% of our production volumes over a given

12 to 24-month period. We believe our capital efficient project inventory, low-decline natural gas production and multiple, integrated business lines will provide consistent returns through varying business cycles. We intend to apply our cash flows to manage our indebtedness in line with our leverage target, fund our capital expenditure program, enhance stockholder value and execute opportunistic acquisitions across our four business lines. Adjusted EBITDAX is not a financial measure calculated in accordance with GAAP. See "— *Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of this measure and a reconciliation to the most directly comparable GAAP measure.

- **Focus on our net zero objectives.** We seek to apply our integrated business model, CCUS projects, and carbon-negative initiatives to realize Scope 1 and 2 net zero upstream owned and operated emissions by the end of 2025. We believe we can achieve this through our "Pad of the Future" emissions reductions program, emissions surveys, installing solar power and executing CCUS projects. We believe that carbon emissions within the United States can be reduced substantially through carbon capture on natural gas production, power plants, processing facilities and other energy and industrial infrastructure. As such, in addition to lowering emissions in our direct operations, CCUS for third parties has become a core focus of our business plan. We expect our CCUS projects to represent a meaningful portion of our budgeted capital expenditures going forward as we advance our long-term goal of eliminating and/or offsetting Scope 3 emissions from our owned and operated upstream businesses.
- **Encourage innovation.** Our distinctive culture encourages innovation with a value-driven focus that feeds into our competitive advantage. For example, our emphasis on the efficient application of modern technology led to the development of our "Pad of the Future" program, our advancements in Barnett refracs and other operational improvements. We intend to continue to develop, retain and add to our already talented, experienced and forward-thinking employees. Our unified team and mantra of "Being a force for good" underpin our core values and provides us with confidence in our ability to successfully manage and grow our business.

Competitive Strengths

We have a number of strengths that we believe will help us successfully execute our business strategy, including:

- **Integrated asset base well positioned for sustainable growth.** Our upstream, midstream and power asset bases reside in geographically concentrated areas with numerous asset acquisition opportunities in close proximity. Our proven ability to successfully negotiate, close and integrate these acquisition opportunities quickly and cost effectively will allow us to continue to grow our portfolio of assets synergistically. We believe that scale and the continued application of technological developments and operational excellence, combined with stable, low-decline production profiles, will continue to generate significant capital efficient development opportunities in the Barnett and NEPA.
- **High quality, low decline assets serving key demand markets.** Through a series of accretive acquisitions we have established an extensive and largely contiguous acreage position in two key markets, the Barnett and NEPA. Our Barnett assets cover approximately 468,000 net acres, with an approximately 80.37% Effective NRI, and are located in close proximity to key Gulf Coast industrial and LNG demand centers. Our NEPA assets consist of 37,000 net acres in one of the most prolific parts of the Marcellus Shale and are located within less than 200 miles to key demand markets in the U.S. Northeast. We believe the geologic, operational and engineering risks associated with our leasehold acreage have been significantly mitigated through historical development activity. Our PDP reserves had an estimated 7% year-over-year average base decline rate over the next 10 years as of September 30, 2022. Additionally, we have an inventory of over 10 years of refrac and new drill locations within our core acreage that give us the flexibility to maintain or slightly grow current production levels, depending on the commodity cycle.
- **Lower emissions energy production.** We are focused on achieving Scope 1 and 2 net zero operational emissions from our owned and operated upstream production of natural gas by the end of 2025. We believe we have a comprehensive ESG program, which is overseen and directed by an executive ESG steering committee. In 2021, we certified our entire NEPA production and, in 2022, we certified

a portion of our Barnett production and, in each case, achieved a Gold rating with Project Canary's TrustWell environmental assessment (Project Canary is an environmental certification and ESG data company). This is the second highest rating a company can receive for its production, qualifying the certified portion of our NEPA and Barnett natural gas production as Responsibly Sourced Gas ("RSG"), which we believe could command a premium in the marketplace. In the future, we intend to expand beyond RSG, with aspirations for fully carbon neutral gas sales through net zero Scope 3 from our owned and operated upstream businesses, which we expect can be achieved by the early 2030s. Additionally, we have a plan to achieve net zero Scope 1 and 2 emissions by the end of 2025 based on our "Pad of the Future" emissions reductions, emissions surveys, installing solar power and executing CCUS projects. We believe BKV dCarbon Ventures will be able to capture and sequester at least 1.0 Mtpy CO_2e by the end of 2025, which exceeds the balance of our current Scope 1 and 2 emissions from our owned and operated upstream businesses. However, if we are not able to complete CCUS projects having sufficient forecasted volumes of CO_2e, we may not be able to achieve this goal.

- **Efficient use of capital.** Our deep, high-graded inventory of refrac opportunities coupled with our inventory of new drill locations allow us to create meaningful additional cash flow with comparatively modest additional capital investments. We utilize operational improvements such as operational process and procurement efficiencies, use of existing field infrastructure, innovative and cost-effective refrac techniques and designs (including diversion methods), drilling long laterals in the Barnett, and optimizing available midstream capacity to further maximize our capital efficiency. Through our midstream, power and CCUS business lines, we are capturing margin across the value chain.
- **Well capitalized and conservative balance sheet.** As of September 30, 2022, we had a Total Net Leverage Ratio of 1.3x. Following the completion of this offering, we intend to continue to maintain a strong balance sheet and fund our operations predominantly with internally generated cash flows. We believe that the low decline, predictable nature of our upstream production profile, combined with our hedging plan and reinvestment rate targets, will allow us to successfully meet our leverage goals.
- **High caliber and proven management team.** We maintain a highly experienced and knowledgeable management team with an average of over 25 years of experience among our senior management team. Our leadership team has significant experience managing integrated energy and power assets for large-scale enterprises, including companies such as PTT Exploration and Production Public Company Limited ("PTT Exploration") and BP p.l.c. ("BP"). Furthermore, our sponsor, Banpu, one of Asia Pacific's largest integrated energy companies, provides us with unique and valuable insights into optimizing our integrated energy business.

Recent Developments

Barnett Zero CCUS Project with EnLink

On June 8, 2022, BKV dCarbon Ventures and EnLink reached FID to develop our first CCUS project and entered into a definitive agreement to dispose of, and geologically sequester, CO_2 generated as a byproduct of the production of our natural gas in the Barnett and will utilize our newly acquired BKV Midstream assets. This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production, which we expect to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We currently estimate the total investment required by us for the Barnett Zero Project to be between $20.0 and $22.0 million. We are targeting commencement of CO_2 sequestration activities by the second half of 2023, subject to our ability to secure all required permits, at which point we expect this project will be one of the first permanent commercial CO_2 disposal and sequestration projects to come online in the United States. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 8%, bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025.

Exxon Barnett Acquisition

On June 30, 2022, we closed the acquisition (the "Exxon Barnett Acquisition") of natural gas upstream and associated midstream infrastructure in the Barnett from XTO Energy, Inc. and Barnett Gathering LLC,

subsidiaries of Exxon Mobil Corporation, for a total purchase price of $750.0 million, plus additional contingent consideration of up to $50.0 million depending on future natural gas prices. Pursuant to the Exxon Barnett Acquisition, we acquired approximately 175,000 total net acres that are approximately 99% held by production, primarily in Tarrant, Johnson and Parker counties, and additional smaller positions in Jack, Wise, Denton, Erath, Hood and Ellis counties, Texas (our "2022 Barnett Assets"). These upstream assets include low decline wells, ideal for delivering consistent cash flow, and high average working interests of approximately 94% in over 2,100 operated wells. The Exxon Barnett Acquisition also included approximately 778 miles of gathering pipelines and compression and processing midstream infrastructure with, as of September 30, 2022, over 450 MMcf/d of throughput capacity and approximately 26 MMcf/d of third-party production being gathered on the system. In connection with the Exxon Barnett Acquisition, we entered into the Term Loan Credit Agreement (as defined herein) with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent. The Term Loan Credit Agreement includes up to $600.0 million of commitments for term loans to be used solely to fund a portion of the purchase price for the Exxon Barnett Acquisition and other costs and expenses associated with the acquisition. As of November 17, 2022, there was $570.0 million in aggregate principal amount outstanding under the Term Loan Credit Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Term Loan Credit Agreement*" for more information.

Amendment to Derivative Agreement

On August 4, 2022, we entered into an amendment to our ISDA Master Agreement with a counterparty to our derivative contracts pursuant to which we agreed to terminate or novate, at our election, at least $100.0 million of our derivative contracts. As of September 9, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. We intend to make the remaining payment with cash flows from operations. See "*Note 13 — Credit and Other Risk*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding this agreement.

CCUS Project Development with Verde CO2

On August 22, 2022, we entered into a development agreement with Verde CO2 to identify, evaluate and develop CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration. Pursuant to the development agreement, Verde CO2 will be responsible for the sourcing, development, performance and ongoing management of such CCUS projects and BKV dCarbon Ventures will provide funding for such projects. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement, and we currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, LLC ("BKVerde"), a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations.

Revolving Credit Agreement

On August 24, 2022, we entered into a Revolving Credit Agreement (as amended by that certain First Amendment to Revolving Credit Agreement dated as of November 11, 2022, the "Revolving Credit Agreement") with Bangkok Bank Public Company Limited (New York Branch), as the administrative agent and sole initial lender. The Revolving Credit Agreement includes $100.0 million of commitments for unsecured revolving loans used for short-term working capital and operating needs. As of November 17, 2022, $45.0 million was outstanding under the Revolving Credit Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Revolving Credit Agreement*" for more additional information regarding the Revolving Credit Agreement.

Cotton Cove CCUS Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described in "*— Carbon Capture, Utilization and Sequestration.*" As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025. See "*— Path to Net Zero Emissions.*"

Letter of Intent with EEMNA

On November 11, 2022, we entered into a non-binding letter of intent with ENGIE Energy Marking NA, Inc ("EEMNA") to build a framework for verifiable environmental attributes with the use of carbon credits applied to natural gas energy. Under this framework, we intend to measure, reduce and verify emissions using operational technologies, such as continuous emissions monitoring. In addition, we expect to deliver sequestered carbon credits from our CCUS business to EEMNA under this marketing program. Project Canary, an environmental certification and ESG data company, will reconcile sensing technologies and measure, analyze, and report the environmental attributes of the sequestrated carbon to support decarbonization. This initiative strives to provide a market in which an LNG buyer, gas utility, power utility or other end-user can purchase measured and verified sequestrated carbon credits from a single, trusted company. These carbon credits would not apply toward a reduction of our own Scope 1, 2 or 3 owned and operated upstream emissions. We anticipate eventually selling to EEMNA, for marketing to end-users, net zero natural gas that incorporates measured, sequestrated carbon credits derived from our CCUS business.

Corporate Values, Management Team and Sponsor

The following corporate values underpin our corporate culture and decision-making: Deliver on Promises, Have Grit, Embrace Change, Show Courage, Solve Problems, Do Good and Be One BKV.

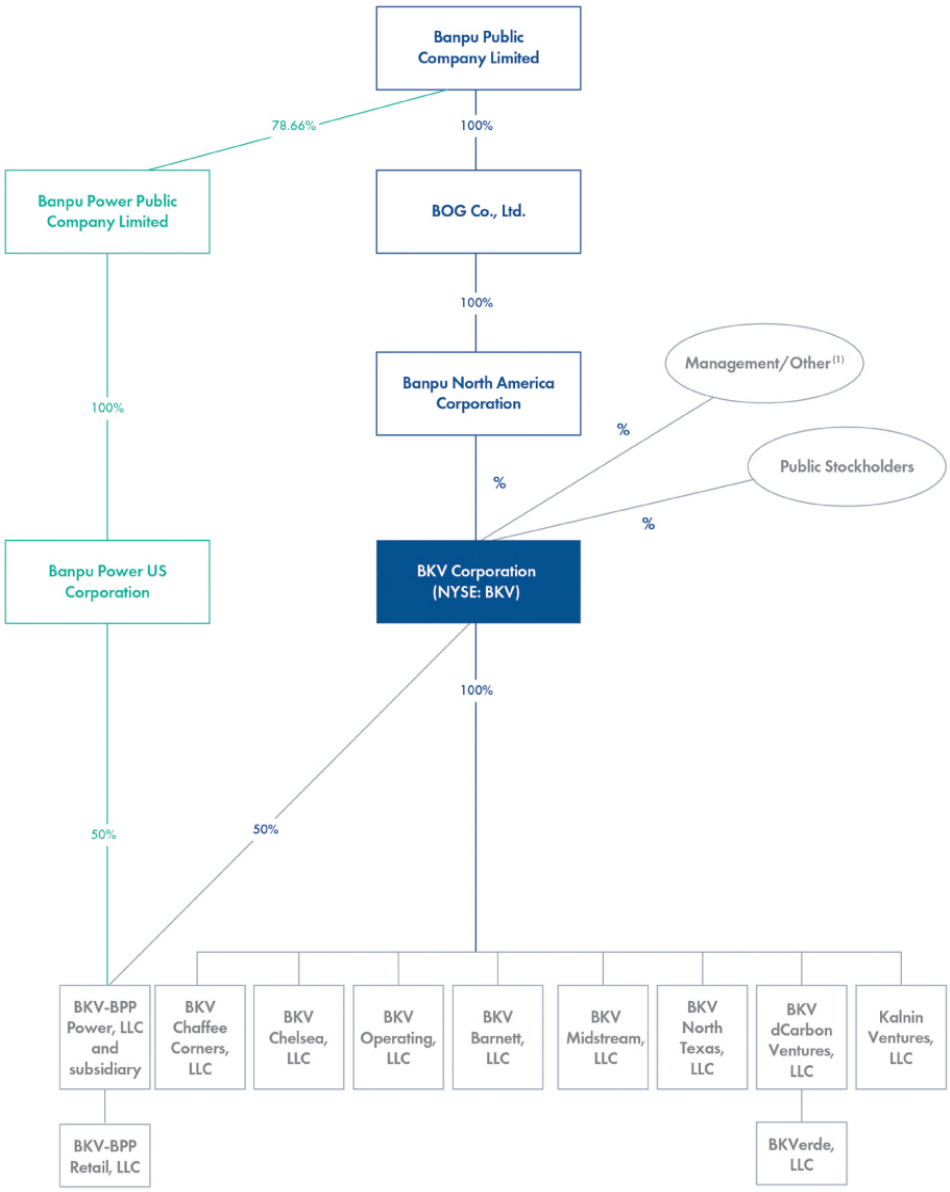
Our management team is led by our Chief Executive Officer and founder, Christopher P. Kalnin, who has approximately 22 years of experience in exploration and production ("E&P") (PTT Exploration & Production), management consulting (McKinsey & Company) and finance (Credit Suisse First Boston). Eric Jacobsen serves as our Chief Operating Officer with over 28 years of energy operational experience, including 11 years of experience in shale, 16 years of experience at BP and its predecessors and six years of experience at Noble Energy, Inc. John Jimenez serves as our Chief Financial Officer with over 30 years of international energy experience working with BP and Reliance Industries Limited.

BNAC, our majority stockholder, is an indirect, wholly owned subsidiary of Banpu, our ultimate parent company. Banpu is a multi-billion U.S. dollar market cap energy company publicly traded in

Thailand. With nearly four decades of experience in business operations covering 10 countries across the Pacific Rim region and the United States, Banpu is an international versatile energy provider committed to its Greener & Smarter strategy, which prioritizes environmentally sustainable businesses and leverages smart technologies and innovations. Upon completion of this offering, Banpu will beneficially own approximately % of our common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares of our common stock). Banpu has informed us that although it may reduce a portion of its ownership position over time, it intends to remain a long-term stockholder and supporter of BKV. If, after this initial public offering, Banpu and its wholly owned subsidiaries cease to own at least 51% of our equity interests, or if they allow any lien to exist on our equity interests that they own, such event will be an event of default under the Term Loan Credit Agreement and the Revolving Credit Agreement. See "*Risk Factors — Risks Related to Our Relationship with Banpu and its Affiliates*."

Our Structure

The chart below displays a summary of our ownership structure after giving effect to this offering.



(1) Consists of management, directors and other employee and non-employee stockholders.

The information in the chart above does not include 10,000,000 additional shares of our common stock reserved for future awards pursuant to the BKV Corporation 2022 Equity and Incentive Compensation

Plan (the "2022 Plan"), including shares of common stock that may be issued upon vesting of equity awards that we expect to be granted in connection with this offering, and 1,000,000 shares of our common stock available for purchase by employees pursuant to the BKV Corporation Employee Stock Purchase Plan (the "ESPP").

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), including as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As a result, for so long as we qualify as an emerging growth company, we are eligible to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to present only two years of audited financial statements and only two years of related "*Management's Discussion and Analysis of Financial Condition and Results of Operations* " in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, including in this prospectus;
- not being required to comply with any new requirements adopted by the Public Company Accounting Oversight Board ("PCAOB") requiring a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain of the reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with the Securities and Exchange Commission (the "SEC"). As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

The JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, but we have irrevocably elected not to avail ourselves of this exemption. Rather, we will adopt new or revised accounting standards on the relevant dates in which adoption of such standards is required for other public companies.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act. Such fifth anniversary will occur in 2027. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our gross revenues for any fiscal year equal or exceed $1.235 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We will remain an emerging growth company under the JOBS Act until December 31, 2022. While we continue to be an emerging growth company until the end of the 2022 fiscal year, we expect our revenues will exceed $1.235 billion during the year ending December 31, 2022 and we will no longer qualify as an emerging growth company as of December 31, 2022.

Controlled Company

We intend to apply to list our common stock on the NYSE under the symbol "BKV." Upon completion of this offering, BNAC will hold approximately % of our total outstanding shares of common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares),

comprising more than 50% of the voting power of our outstanding common stock. As a result, we will be a “controlled company” within the meaning of the corporate governance rules of the NYSE. As a “controlled company,” we will be eligible to rely on exemptions from the obligation to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of our board of directors consist of independent directors;
- we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

These exemptions do not modify the independence requirements for our audit committee. As a controlled company, we will remain subject to the rules of the Sarbanes-Oxley Act and the NYSE that require us to have an audit committee composed entirely of independent directors. Under these rules, we must have at least one independent director on our audit committee by the date our common stock is listed on the NYSE, at least two independent directors on our audit committee within 90 days of the listing date, and at least three independent directors on our audit committee within one year of the listing date. We expect to have independent directors upon the closing of this offering.

While BNAC continues to control more than 50% of the voting power of our outstanding common stock, we qualify for, and intend to rely on, these exemptions. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

If we cease to be a controlled company within the meaning of the applicable rules of the NYSE, we will be required to comply with these requirements after specified transition periods.

Contact Information

Our principal executive offices are located at 1200 17th Street, Suite 2100, Denver, Colorado 80202, and our telephone number at such address is (720) 375-9680. Our website address is *www.bkvcorp.com*. The contents of our website are not incorporated by reference herein and are not a part of, and shall not deemed to be a part of, this prospectus.

	The Offering
Issuer	BKV Corporation, a Delaware corporation
Securities offered	Common stock, par value $0.01 per share ("common stock")
Common stock offered by us	shares (or shares if the underwriters exercise in full their option to purchase additional shares)
Underwriters' option to purchase additional shares	The underwriters have an option for a period of 30 days to purchase up to an additional shares of our common stock.
Common stock outstanding immediately after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares)
Use of proceeds	We estimate that the net proceeds to us from the sale of our common stock in this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional shares), based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus). Of the net proceeds we receive from the sale of our common stock in this offering, we intend to use approximately $ million to repay in full the loan under the $75 Million A&R Loan Agreement (as defined herein) with BNAC, $ million to make additional contingent consideration payments payable in connection with the Devon Barnett Acquisition and the remainder for other general corporate purposes, including to fund the expansion of our CCUS business. See "*Use of Proceeds*."
Dividend policy	At or prior to the closing of this offering, our board of directors will adopt a written policy pursuant to which we intend to pay to stockholders, subject to the factors described herein, including the restrictions under the Term Loan Credit Agreement and the Revolving Credit Agreement, quarterly cash dividends and to consider the payment of additional special dividends from time to time. See "*Dividend Policy*."
Voting rights	Each share of common stock will entitle the holder to one vote per share. Generally, matters to be voted on by stockholders must be approved by a majority of the votes entitled to be cast at a meeting by holders of all shares of common stock present in person or represented by proxy. In addition, pursuant to the stockholders' agreement to be entered into upon the completion of this offering between BNAC and us (our "Stockholders' Agreement"), for so long as BNAC and Banpu beneficially own 10% or more of our voting stock, BNAC will be entitled to designate for nomination to our board of directors a number of individuals approximately proportionate to such beneficial ownership, provided that (i) from the completion of this offering until the first anniversary

	of the completion of this offering, at least three board seats will not be BNAC designees, (ii) from and after the first anniversary of the completion of this offering until the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, at least four board seats will not be BNAC designees, and (iii) from and after the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, a number of board seats equal to the minimum number of directors that would constitute a majority of the total number of directors comprising our board of directors will not be BNAC designees. See "*Management*," "*Principal Stockholders*," "*Description of Capital Stock*" and "*Certain Relationships and Related Party Transactions*" for additional information.
Risk factors	You should read the section of this prospectus titled " *Risk Factors*" and other information included in this prospectus for a discussion of factors to carefully consider before deciding to invest in shares of our common stock.
Controlled company	We will be a "controlled company" within the meaning of the corporate governance rules of the NYSE. Upon completion of this offering, BNAC will hold % of our common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares), comprising more than 50% of the voting power of our outstanding common stock. See "*Management — Controlled Company*."
Listing and stock exchange symbol	We intend to list our common stock on the NYSE under the symbol "BKV."

The number of shares of common stock that will be outstanding immediately after the completion of this offering is based on shares of our common stock to be issued pursuant to this offering (assuming the underwriters do not exercise their option to purchase additional shares), and excludes 10,000,000 additional shares of our common stock reserved for future awards pursuant to our 2022 Plan and 1,000,000 shares of our common stock available for purchase by employees pursuant to the our ESPP, which will become effective upon the completion of this offering.

Unless otherwise indicated and except for our historical consolidated financial statements and related notes included elsewhere in this prospectus, the information in this prospectus:

- assumes the execution of our Stockholders' Agreement, as further described under " *Certain Relationships and Related Party Transactions*";
- assumes the amendment and restatement of our existing certificate of incorporation and the amendment and restatement of our existing bylaws in connection with the consummation of the offering;
- assumes an initial public offering price of $ per share of common stock (the midpoint of the price range set forth on the cover page of this prospectus); and
- assumes that the underwriters do not exercise their option to purchase additional shares of common stock.

Risk Factors Summary

Investing in our common stock involves risks, including those highlighted in the section titled " *Risk Factors*" immediately following this prospectus summary, of which you should be aware before making a decision to invest in our common stock. These risks may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and a loss of all or part of your investment. These risks include, among others, the following:

Risks Related to Our Upstream Business and Industry

- the volatility of natural gas and NGL prices due to factors beyond our control;
- our reliance on a single third party for all of our natural gas marketing and another third party for substantially all of our natural gas and NGL midstream services with respect to the Barnett assets we acquired from Devon Energy;
- our reserve estimates are based on assumptions that may prove to be inaccurate;
- our ability to find or acquire additional natural gas and NGL reserves that are economically recoverable, including development of our proved undeveloped reserves and associated capital expenditures;
- uncertainties in evaluating the expected benefits and potential liabilities of recoverable reserves;
- risks and uncertainties related to drilling operations, which are high-risk and operationally complex;
- the availability or cost of water, equipment, supplies, personnel and oilfield services;
- our limited control over activities on properties we do not operate;

Risks Related to Our Power Generation Business

- the operation of our power generation business through a joint venture which we do not control;
- risks and hazards related to the operation or maintenance of electric generation facilities;
- the lack of long-term power sales agreements for Temple I;
- our ability to fulfill our business plan to supply our own natural gas to Temple I;
- the disruption of the fuel supplies necessary to generate power at Temple I;

Risks Related to Our CCUS Business

- our ability to successfully pursue and develop our CCUS business, the associated material capital investments and any changes to financial and tax incentives;

Risks Related to Our Midstream Business

- risks and hazards related to midstream operations as complex activities;
- our dependence on our natural gas midstream system for the gathering and processing of our natural gas production;

Risks Related to Our Business Generally

- the geographical concentration of substantially all of our oil and gas and midstream properties;
- the effect of a deterioration in general economic, business or industry conditions and COVID-19 (including any variants thereof, “COVID-19”);
- our ability to achieve our near term and long term net zero goals on our anticipated time frame;
- our ability to generate cash flow to meet our debt obligations or fund our other liquidity needs;
- risks related to our debt and debt agreements and hedging arrangements that expose us to risk of financial losses and counterparty credit risk;
- our dependence, as a holding company, on our subsidiaries and our joint venture for cash;
- operating hazards that could result in substantial losses or liabilities for which we may not have adequate insurance coverage;
- our ability to make accretive acquisitions or successfully integrate acquired businesses or assets;

- our substantial capital requirements and our ability to obtain financing or fund working capital needs;
- the intense competition in the energy industry and our ability to compete with other companies;
- cybersecurity or physical security threats or disruptions or loss of our information systems;
- increased activism and negative investor sentiment regarding upstream activities and companies;
- the loss of our executive officers and technical personnel and our ability to retain technical personnel;
- exemptions from certain reporting requirements for as long as we are an emerging growth company;

Risks Related to Environmental, Legal Compliance and Regulatory Matters

- complex laws, regulations and initiatives related to our operations and the use of hydraulic fracturing;
- reductions in demand for natural gas, NGL and oil due to conservation measures and technological advances;
- the effect of increased attention to ESG matters, conservation measures and technological advances;
- risks related to climate change, including transitional, legal, political, financial and physical risks;
- significant costs and liabilities related to federal, state and local environmental, health and safety laws and regulations;
- potential tax law changes;
- complex and evolving laws and regulations regarding privacy and data protection;

Risks Related to Our Relationship with Banpu and its Affiliates

- the substantial influence of Banpu, our controlling stockholder, over us;
- our historical reliance on Banpu for capital investments to fund our business operations;
- we expect to be a “controlled company” within the meaning of the NYSE rules and, as a result, will qualify for and could rely on exemptions from certain corporate governance requirements;
- Banpu and its wholly owned subsidiaries ceasing to own at least 51% of our equity interests or allowing any lien to exist on the equity interests in us they own will be an event of default under the Term Loan Credit Agreement and the Revolving Credit Agreement;
- conflicts of interest between Banpu and us or our other stockholders or conflicts of interest of our directors as a result of their positions with, or ownership of common stock of, Banpu;

Risks Related to the Offering and Our Common Stock

- our actual operating results and activities could differ materially from our estimates;
- risks related to payment of dividends on our common stock, including the lack of sufficient available cash, the discretion of our board of directors, and restrictions in our debt agreements, with respect to payment of dividends and the impact of our dividend policy on our ability to grow;
- the costs of, and our ability to comply with, the requirements of being a public company;
- we have identified material weaknesses in our internal control over financial reporting;
- the lack of an existing market for our common stock;
- provisions in our governing documents and Delaware law that could discourage acquisition bids or merger proposals; and
- future sales of our common stock in the public market, or the perception that such sales may occur, could reduce our stock price.

Summary Historical and Unaudited Pro Forma Financial Information

The following table shows our summary historical consolidated financial information and summary unaudited pro forma condensed combined consolidated financial information for the periods and as of the dates indicated. The summary unaudited pro forma condensed combined consolidated financial information presents the combination of our historical consolidated financial information, as adjusted to give effect to the Exxon Barnett Acquisition, the related financing under the Term Loan Credit Agreement and the $75 Million Loan Agreement (collectively, the "Transaction").

The summary historical consolidated financial information as of and for the nine months ended September 30, 2022 and 2021 was derived from our unaudited historical consolidated financial statements, included elsewhere in this prospectus. The summary historical consolidated financial information as of and for the years ended December 31, 2021 and 2020 was derived from our audited historical consolidated financial statements, included elsewhere in this prospectus.

The summary unaudited pro forma condensed combined consolidated financial information was derived from the unaudited pro forma condensed combined consolidated financial statements included elsewhere in this prospectus. The unaudited pro forma combined consolidated statements of operations data for the year ended December 31, 2021 and the unaudited pro forma condensed consolidated statements of operations data for the nine months ended September 30, 2022 has been prepared to give pro forma effect to the Transaction as if it had been consummated on January 1, 2021. This information is subject to, and gives effect to, the assumptions and adjustments described in the notes accompanying the unaudited pro forma condensed combined consolidated financial statements included elsewhere in this prospectus. The pro forma financial information is provided for illustrative purposes only and is not intended to represent what our financial position or results of operations would have been had the Transaction occurred on the assumed date nor does it purport to project our future operating results or financial position following the Transaction. The summary pro forma financial information does not include pro forma balance sheet information because the Exxon Barnett Acquisition was consummated on June 30, 2022 and, therefore, the 2022 Barnett Assets and related financing are included in our historical balance sheet as of September 30, 2022, together with the related indebtedness under the Term Loan Credit Agreement and the $75 Million Loan Agreement.

The summary financial data is qualified in its entirety by, and should be read in conjunction with, "*Management's Discussion and Analysis of Financial Condition and Results of Operations* " and "*Unaudited Pro Forma Condensed Combined Consolidated Financial Statements*" included elsewhere in this prospectus, as well as our historical consolidated financial statements and related notes, the historical statements of revenues and direct operating expenses and related notes for the 2022 Barnett Assets acquired in the Exxon Barnett Acquisition and other financial information included in this prospectus. Historical and pro forma results are not necessarily indicative of results that may be expected for any future period.

	Nine Months Ended September 30,		Year Ended December 31,		Pro Forma Nine Months Ended September 30,	Pro Forma Year Ended December 31,
	2022	2021	2021	2020	2022	2021
	(in thousands, except per share amounts)					
Revenues and other operating income						
Natural gas sales	$ 969,525	$ 359,716	$ 597,050	$ 101,758	*	*
NGL sales	247,404	151,165	225,135	11,952	*	*
Oil sales	7,544	5,491	7,560	1,333	*	*
Natural gas, NGL and oil sales	1,224,473	516,372	829,745	115,043	1,443,705	1,137,725
Midstream revenues	6,080	5,529	6,917	7,458	9,701	13,161
Derivative gains (losses), net	(720,312)	(500,604)	(383,847)	20,755	(720,312)	(383,847)
Marketing revenues	7,197	51,246	52,616	—	7,197	52,616
Other	2,008	—	251	33	2,256	518
Total revenues and other operating income	519,446	72,543	505,682	143,289	742,547	820,173

	Nine Months Ended September 30,		Year Ended December 31,		Pro Forma Nine Months Ended September 30,	Pro Forma Year Ended December 31,
	2022	2021	2021	2020	2022	2021
	(in thousands, except per share amounts)					
Operating expenses						
Lease operating and workover	86,870	64,244	88,105	31,260	145,046	185,853
Taxes other than income	86,164	28,453	45,650	5,151	96,860	67,317
Gathering and transportation	153,281	124,287	173,587	—	178,602	223,382
Accretion of asset retirement obligations	8,874	7,439	10,030	3,211	10,647	13,616
Depreciation, depletion, and amortization	68,606	61,219	81,986	83,388	93,248	141,718
Exploration and impairment	—	34	34	560	—	34
General and administrative	107,341	62,653	85,740	29,442	102,241	91,860
Accretion of right of use liabilities[1]	190	167	227	184	190	227
Total operating expenses	511,326	348,496	485,359	153,196	626,834	724,007
Income (loss) from operations	8,120	(275,953)	20,323	(9,907)	115,713	96,166
Other income and expense						
Loss on contingent consideration liabilities[2]	(31,089)	(193,350)	(194,968)	7,135	(31,089)	(194,968)
Interest expense	(22,334)	(314)	(2,134)	(1,713)	(44,225)	(51,018)
Other income	1,051	628	872	—	1,051	872
Bargain purchase gain	163,653	—	—	—	163,653	—
Gain on settlement of litigation	16,866	—	—	—	16,866	—
Income (loss) from equity affiliates	14,486	—	910	—	14,486	910
Interest income	382	2	8	121	382	8
Income (loss) before income taxes	151,135	(468,987)	(174,989)	(4,364)	236,837	(148,030)
Income tax benefit (expense)	2,989	107,918	40,526	(38,982)	(16,722)	34,325
Net income (loss) and comprehensive income (loss) attributable to BKV Corporation	154,124	(361,069)	(134,463)	(43,346)	220,115	(113,705)
Less accretion of preferred stock to redemption value	—	(3,545)	(3,745)	—	—	(3,745)
Less preferred stock dividends	—	(9,900)	(9,900)	(460)	—	(9,900)
Less deemed dividend on redemption of preferred stock	—	(1,353)	(22,606)	—	—	(22,606)
Net income (loss) and comprehensive income (loss) attributable to common stockholders	154,124	(375,867)	(170,714)	(43,806)	220,115	(149,956)
Net income (loss) and comprehensive income (loss) per common share						
Basic	$ 1.31	$ (3.21)	$ (1.46)	$ (0.42)	$ 1.88	$ (1.28)
Diluted	$ 1.24	$ (3.21)	$ (1.46)	$ (0.42)	$ 1.77	$ (1.28)
Weighted average number of common shares outstanding						
Basic	117,316	117,027	116,904	105,275	117,316	116,904
Diluted	124,597	117,027	116,904	105,275	124,597	116,904
Balance Sheet Information (at period end):						
Restricted Cash[3]	$ 17,473	$ —	$ —	$ —	**	**
Cash & cash equivalents	$ 167,143	$ 86,245	$ 134,667	$ 17,445	**	**
Total natural gas properties, net	$2,203,766	$1,149,303	$1,176,117	$1,169,297	**	**
Total assets	$2,748,365	$1,585,858	$1,620,828	$1,342,492	**	**
Total liabilities	$1,811,085	$ 973,679	$ 865,889	$ 262,424	**	**
Total mezzanine equity	$ 159,230	$ 137,992	$ 83,847	$ 137,212	**	**
Total stockholders' equity	$ 778,050	$ 474,187	$ 671,092	$ 942,856	**	**

	Nine Months Ended September 30,		Year Ended December 31,		Pro Forma Nine Months Ended September 30,	Pro Forma Year Ended December 31,
	2022	2021	2021	2020	2022	2021
	(in thousands, except per share amounts)					
Statement of Cash Flows Information						
Net cash provided by (used in) operating activities	$ 231,075	$ 274,488	$ 358,133	$ (7,405)	**	**
Net cash used in investing activities	$(756,333)	$ (74,868)	$(161,858)	$(513,992)	**	**
Net cash (used in) provided by financing activities	$ 575,206	$(130,820)	$ (79,053)	$ 442,723	**	**
Other Financial Data (unaudited)[4]						
Adjusted EBITDAX	$ 332,514	$ 237,417	$ 281,024	$ 65,148	$ 425,007	$ 413,698
Upstream Reinvestment Rate	38%	10%	24%	16%	**	**
Adjusted Free Cash Flow	$ 142,970	$ 89,108	$ 165,090	$ 56,604	**	**
Adjusted Free Cash Flow Margin	12%	16%	19%	34%	**	**
Total Net Leverage Ratio[5]	1.3x	0x	0.11x	0.10x	**	**

(1) Represents right of use liabilities related to office space, a pipe yard, and compressor leases.

(2) Represents contingent consideration liabilities as of the dates set forth above accruing as an earnout obligation under the terms of our purchase agreement with Devon Energy for the purchase of our 2020 Barnett Assets. This contingent consideration is stated at fair value on our consolidated balance sheet, with changes in fair value recorded in the consolidated statement of operations.

(3) Represents cash borrowed as of September 30, 2022 under the Term Loan Credit Agreement which can only be used for costs related to the Exxon Barnett Acquisition. We anticipate the restricted cash will be used for remaining transaction and integration costs related to the Exxon Barnett Acquisition.

(4) Adjusted EBITDAX and Adjusted Free Cash Flow are not financial measures calculated in accordance with GAAP. See "— *Non-GAAP Financial Measures*" for how we define each of these measures and a reconciliation to the most directly comparable GAAP measures. In addition, we define Upstream Reinvestment Rate as total cash paid for upstream capital expenditures (excluding leasehold costs and acquisitions) as a percentage of Adjusted EBITDAX, and we define Adjusted Free Cash Flow Margin as the ratio of Adjusted Free Cash Flow to total revenues excluding derivative gains and losses. Total Net Leverage Ratio represents the ratio of total debt less cash and cash equivalents to Adjusted EBITDAX.

(5) Total Net Leverage Ratio is the ratio of our total debt less cash and cash equivalents to Adjusted EBITDAX. For the nine months ended September 30, 2022 and for the pro forma nine months ended September 30, 2022, Adjusted EBITDAX has been annualized to $443.4 million and $566.7 million, respectively.

* Revenues with respect to the 2022 Barnett Assets (as defined herein) for the nine months ended September 30, 2022 and the year ended December 31, 2021 are reported only on a consolidated basis. Accordingly, the unaudited pro forma combined consolidated natural gas, NGL and oil sales revenues are presented only in the aggregate. See "*Unaudited Pro Forma Combined Consolidated Financial Statements*."

** The Exxon Barnett Acquisition was consummated on June 30, 2022, and, therefore, the 2022 Barnett Assets and related financing are included in the historical balance sheet of the Company as of September 30, 2022, and no pro forma balance sheet is presented. See "*Unaudited Pro Forma Combined Consolidated Financial Statements*."

Non-GAAP Financial Measures

Adjusted EBITDAX

We define Adjusted EBITDAX as net income (loss) before (1) non-cash derivative gain (loss), (2) accretion of asset retirement obligation, (3) accretion of right of use liability, (4) depreciation, depletion, and amortization, (5) exploration and impairment expense, (6) (loss) gain on contingent consideration liabilities, (7) interest expense, (8) income tax benefit (expense), (9) equity-based compensation expense, (10) bargain purchase gains, (11) income from equity affiliates, (12) early settlement of derivative contracts and (13) other nonrecurring transactions.

Adjusted EBITDAX is a supplemental non-GAAP financial measure that is used by our management and external users of our consolidated financial statements, such as industry analysts, investors, lenders, rating agencies and others to more effectively evaluate our operating performance and results of operation from period to period and against our peers, without regard to our financing methods, corporate form or capital structure. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDAX because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDAX should not be considered as an alternative to, or more meaningful than, net income (loss) determined in accordance with GAAP. Certain items excluded from Adjusted EBITDAX are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax burden, as well as the historic costs of depreciable assets, none of which are reflected in Adjusted EBITDAX. Our presentation of Adjusted EBITDAX should not be construed as an inference that our results will be unaffected by unusual or non-recurring items. Other companies, including other companies in our industry, may not use Adjusted EBITDAX or may calculate this measure differently than as presented in this prospectus, limiting its usefulness as a comparative measure.

The table below presents a reconciliation of Adjusted EBITDAX to net income, our most directly comparable GAAP financial measure for the periods indicated.

	Nine Months Ended September 30,		Year Ended December 31,		Pro Forma Nine Months Ended September 30, 2022	Pro Forma Year Ended December 31, 2021
	2022	2021	2021	2020	(in thousands)	(in thousands)
	(in thousands)		(in thousands)			
Net income (loss)	$ 154,124	$ (361,069)	$ (134,463)	$ (43,346)	$ 220,115	$ (113,705)
Unrealized derivative loss (gain)	158,734	377,035	115,161	(10,329)	158,734	115,161
Forward month gas derivative settlement[(1)]	32,010	39,636	15,406	(5,489)	32,010	15,406
Accretion of asset retirement obligation	8,874	7,439	10,030	3,211	10,647	13,616
Accretion of right of use liabilities	480	249	330	336	480	330
Depreciation, depletion, and amortization	76,677	65,509	88,473	86,644	93,248	141,718
Exploration and impairment expense	—	34	34	560	—	34
Change in contingent consideration liabilities	31,089	193,350	194,968	(7,135)	31,089	194,968
Interest expense	22,334	314	2,134	1,713	44,225	51,018
Income tax (benefit) expense	(2,989)	(107,918)	(40,526)	38,982	(16,722)	(34,325)

	Nine Months Ended September 30,		Year Ended December 31,		Pro Forma Nine Months Ended September 30, 2022	Pro Forma Year Ended December 31, 2021
	2022	2021	2021	2020	(in thousands)	(in thousands)
	(in thousands)		(in thousands)			
Equity-based compensation expense	29,320	22,838	30,387	—	29,320	30,387
Bargain purchase gain	(163,653)	—	—	—	(163,653)	—
Loss (income) from equity affiliates	(14,486)	—	(910)	—	(14,486)	(910)
Adjusted EBITDAX	$ 332,514	$ 237,417	$ 281,024	$ 65,148	$ 425,007	$ 413,698

(1) The forward month gas derivative settlement is derived from the Commodity derivative settlements payable/receivable line item in our condensed consolidated statements of cash flows. Natural gas derivative contracts settle and are realized in the month prior to the production covered by the contract. This adjustment removes the timing difference between the settlement date and the underlying production month that is hedged.

Adjusted Free Cash Flow

We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities excluding changes in operating assets and liabilities, less total cash paid for capital expenditures and settlement of contingent consideration (excluding leasehold costs and acquisitions).

Adjusted Free Cash Flow is not a measure of net cash flow provided by or used in operating activities as determined by GAAP. Adjusted Free Cash Flow is a supplemental non-GAAP financial measure that is used by our management and other external users of our financial statements, such as industry analysts, investors, lenders, rating agencies and others to assess our ability to internally fund our capital program, service or incur additional debt and to pay dividends. We believe Adjusted Free Cash Flow is a useful liquidity measure because it allows us and others to compare cash flow provided by operating activities across periods and to assess our ability to internally fund our capital program (including acquisitions), to reduce leverage, fund acquisitions and pay dividends to our stockholders. Adjusted Free Cash Flow should not be considered as an alternative to, or more meaningful than, net income (loss) or net cash provided by (used in) operating activities determined in accordance with GAAP. Other companies, including other companies in our industry, may not use Adjusted Free Cash Flow or may calculate this measure differently than as presented in this prospectus, limiting its usefulness as a comparative measure.

The table below presents our reconciliation of Adjusted Free Cash Flow to net cash provided by (used in) operating activities, our most directly comparable GAAP financial measure for the periods indicated.

	Nine Months Ended September 30,		Year Ended December 31,	
	2022	2021	2021	2020
	(in thousands)			
Net cash provided by (used in) operating activities	$231,076	$ 274,488	$ 358,133	$ (7,405)
Changes in operating assets and liabilities	(8,381)	(162,671)	(126,862)	74,536
Cash paid for capital expenditures and settlement of contingent considerations (excluding leasehold costs and acquisitions)	(79,726)	(22,709)	(66,181)	(10,527)
Adjusted Free Cash Flow	$142,970	$ 89,108	$ 165,090	$ 56,604

Summary Reserve, Production and Operating Data

Ryder Scott, our independent petroleum engineers, prepared estimates of our natural gas, NGL and oil reserves as of December 31, 2021 and 2020, and as of September 30, 2022, including the assets we acquired in the Exxon Barnett Acquisition. These reserve estimates were prepared in accordance with the rules and regulations of the SEC regarding oil and natural gas reserve reporting using an average price equal to the unweighted arithmetic average of hydrocarbon prices on the first day of each month within the 12-month period as adjusted for location and quality differentials, unless prices are defined by contractual arrangements, excluding escalations based on future conditions ("SEC Pricing") (except for the table that provides our estimated reserves as of September 30, 2022 at "NYMEX strip pricing" using pricing based on NYMEX future prices as of market close on September 30, 2022). For more information about our reserve volumes and values, see "*Business — Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserve reports, which are filed as exhibits to the registration statement of which this prospectus forms a part.

The following table provides our estimated proved reserve, probable reserve and possible reserve information prepared by Ryder Scott as of September 30, 2022 and December 31, 2021 and 2020 and PV-10 Value and the standardized measure of discounted future net cash flows (the "Standardized Measure") for each period. The increase in our proved reserves and the PV-10 Value of those reserves as of September 30, 2022 as compared to December 31, 2021 is primarily due to the Exxon Barnett Acquisition, our refrac and restimulation program and the increase in natural gas prices used in preparing the December 31, 2021 reserve information. There are numerous uncertainties inherent in estimating quantities of natural gas, NGL and oil reserves and their values, including many factors beyond our control. In addition, estimates of probable and possible reserves are inherently imprecise and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — Our estimated natural gas, NGL and oil reserve quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.*"

Estimated Reserves at SEC Pricing [1]

	September 30, 2022	December 31, 2021	December 31, 2020
Estimated proved developed reserves:			
Natural gas (MMcf)	3,857,807	2,494,926	1,893,161
Producing	3,466,758	2,346,712	1,893,161
Non-producing	391,049	148,214	0
Natural gas liquids (MBbls)	177,692	151,433	107,234
Producing	163,830	142,961	107,234
Non-producing	13,862	8,472	0
Oil (MBbls)	1,123	867	723
Producing	1,019	876	723
Non-producing	104	0	0
Total estimated proved developed reserves (MMcfe)	4,930,696	3,408,723	2,540,901
Producing	4,455,853	3,209,679	2,540,901
Non-producing	474,843	199,044	0
Standardized Measure (millions)	$ 6,150	$ 2,119	$ 504
PV-10 (millions)[2][3]	$ 7,844	$ 2,672	$ 552
Estimated proved undeveloped reserves:			
Natural gas (MMcf)	1,140,466	950,359	92,373

	September 30, 2022	December 31, 2021	December 31, 2020
Natural gas liquids (MBbls)	42,896	13,722	—
Oil (MBbls)	620	58	—
Total estimated proved undeveloped reserves (MMcfe) [4][5]	1,401,561	1,033,040	92,373
Standardized Measure (millions)	$ 1,498	$ 294	$ 6
PV-10 (millions)[2][6]	$ 1,974	$ 403	$ 9
Estimated proved reserves:			
Natural gas (MMcf)	4,998,273	3,445,285	1,985,534
Natural gas liquids (MBbls)	220,587	165,155	107,234
Oil (MBbls)	1,743	925	723
Total estimated proved reserves (MMcfe)	6,332,257	4,441,763	2,633,274
Standardized Measure (millions)	$ 7,648	$ 2,413	$ 510
PV-10 (millions)[2][7]	$ 9,818	$ 3,074	$ 561
Estimated probable reserves:			
Natural gas (MMcf)	940,531	522,442	61,884
Natural gas liquids (MBbls)	67,117	31,227	—
Oil (MBbls)	1,625	486	—
Total estimated probable reserves (MMcfe) [5][8]	1,352,989	712,725	61,884
Standardized Measure (millions)	$ 851	$ 146	$ —
PV-10 (millions)[2][9]	$ 1,126	$ 202	$ —
Estimated possible reserves:			
Natural gas (MMcf)	552,597	381,941	—
Natural gas liquids (MBbls)	35,121	32,047	—
Oil (MBbls)	1,364	1,841	—
Total estimated possible reserves (MMcfe) [5][8]	771,478	585,269	—
Standardized Measure (millions)	$ 324	$ 51	$ —
PV-10 (millions)[2][10]	$ 432	$ 75	$ —

(1) Prices for natural gas, oil and NGLs, respectively, used in preparing our estimated proved reserves and the associated PV-10 Value based on SEC Pricing (i) at September 30, 2022 were $6.127 per MMbtu (Henry Hub), $91.71 per Bbl (WTI Cushing) and pricing equal to 40% of WTI Cushing, (ii) at December 31, 2021 were $3.598 per MMbtu (Henry Hub), $66.56 per Bbl (WTI Cushing) and pricing equal to 39.5% of WTI Cushing and (iii) at December 31, 2020 were $1.985 per MMbtu (Henry Hub), $39.57 per Bbl (WTI Cushing) and pricing equal to 47% of WTI Cushing.

(2) PV-10 refers to the estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and future development costs, using prices and costs in effect at the determination date, without giving effect to non-property related expenses such as general and administrative expenses, debt service and future income tax expense or to depreciation, depletion and amortization, discounted using an annual discount rate of 10%. PV-10 is not a financial measure calculated in accordance with GAAP because it does not include the effects of income taxes on future net revenues. PV-10 is derived from the Standardized Measure, which is the most directly comparable GAAP financial measure. Neither PV-10 nor Standardized Measure represent an estimate of the fair market value of our oil and natural gas properties. We believe that the presentation of PV-10 is relevant and useful to investors because it presents the discounted future net cash flows attributable to our estimated net proved reserves prior to taking into account future corporate income taxes, and it is a useful measure for evaluating the relative monetary significance of our oil and gas properties. It is not intended to represent the current market value of our estimated reserves. PV-10 should not be considered

in isolation or as a substitute for the Standardized Measure reported in accordance with GAAP, but rather should be considered in addition to the Standardized Measure.

(3) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved developed reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 7,844	$2,672	$552
Present value of future income taxes discounted at 10%	(1,694)	(553)	(48)
Standardized Measure	$ 6,150	$2,119	$504

(4) Proved undeveloped reserves as of December 31, 2021 and as of September 30, 2022 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years.

(5) Sustained lower prices for oil and natural gas may cause us to forecast less capital to be available for development of our PUD, probable and possible reserves, which may cause us to decrease the amount of our PUD, probable and possible reserves we expect to develop within the allowed time frame. In addition, lower oil and natural gas prices may cause our PUD, probable and possible reserves to become uneconomic to develop, which would cause us to remove them from their respective reserve category.

(6) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved undeveloped reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 1,974	$ 403	$ 9
Present value of future income taxes discounted at 10%	(476)	(108)	(3)
Standardized Measure	$ 1,498	$ 294	$ 6

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 9,818	$3,074	$561
Present value of future income taxes discounted at 10%	2,170	(661)	(51)
Standardized Measure	$ 7,648	$2,413	$510

(8) Estimates of probable and possible reserves, respectively, and the respective future cash flows related to such estimates, are inherently imprecise and are more uncertain than proved reserves, and the future cash flows related to such estimates. For more information regarding the presentation of probable and possible reserves, see "*Business — Preparation of Reserve Estimates and Internal Controls*."

(9) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 1,126	$202	$ —
Present value of future income taxes discounted at 10%	(275)	(56)	—
Standardized Measure	$ 851	$146	$ —

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 432	$ 75	$ —
Present value of future income taxes discounted at 10%	(108)	(24)	—
Standardized Measure	$ 324	$ 51	$ —

During the nine months ended September 30, 2022 and the year ended December 31, 2021, we incurred costs of approximately $26.0 million and $7.2 million, respectively, to convert 41.4 Bcfe and 19.4 Bcfe, respectively, of proved undeveloped reserves to proved developed reserves. Estimated future development costs relating to the development of our proved undeveloped reserves at September 30, 2022 and December 31, 2021 are approximately $963.2 million and $578.3 million, respectively, over the next five years, substantially all of which we expect to finance through cash flow from operations. Our development programs through the first three quarters of 2022 focused on refracturing under-stimulated wells and designing and drilling new wells in both our Barnett and Marcellus assets. All of our PUD reserves are scheduled to be developed within five years of their initial disclosure as PUDs. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate*."

2021 Activity

During the year ended December 31, 2021, the Company's proved reserves increased by 1,808.5 Bcfe. The increase in proved reserves was primarily due to increasing commodity pricing improving economics, and additions to the drilling schedule for both proved developed and undeveloped reserves. The Company produced 245.8 Bcfe during the year ended December 31, 2021.

Revisions of previous estimates primarily consisted of upward revisions to proved developed reserves and proved undeveloped reserves of 715.9 Bcfe and 245.6 Bcfe, respectively, as a result of higher average pricing during 2021 for natural gas, NGLs and oil. The remaining upward adjustment of 139.8 Bcfe relates to upward performance adjustments of 219.2 Bcfe to proved developed reserves offset by a downward revision of 79.4 Bcfe to proved developed reserves due to increased production costs.

Extensions and discoveries increased as a result of the completion of our of properties acquired through our Barnett Asset Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 143.2 Bcfe related to 13.0 gross (9.6 net) locations in the Marcellus Basin recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 34.8 Bcfe consisted of 14 gross (5.9 net) newly drilled wells.

Improved recoveries consisted of 205.4 Bcfe of proved developed reserves recognized as a result of the application of improved recovery techniques to producing wells during the year ended December 31, 2021.

2020 Activity

During the year ended December 31, 2020, the Company's proved reserves increased by 1,684.5 Bcfe. The increase in proved reserves was due to the Barnett Asset Acquisition offset by downward revisions primarily due to lower average pricing for natural gas during 2020.The Company produced 111.7 Bcfe during the year ended December 31, 2020.

Revisions of previous estimates of proved undeveloped reserves primarily consisted of a downward revision to proved undeveloped reserves of 146.7 Bcfe due to a combination of performance adjustments and lower average pricing of natural gas during 2020, and a downward revision of 186.5 Bcfe which removed locations due to lower average pricing of natural gas during 2020. Proved developed reserves were adjusted downward by 48.8 Bcfe due to lower average natural gas prices and performance.

There were no extensions and discoveries of proved developed or proved undeveloped reserves during the year ended December 31, 2020.

Estimated Reserves at NYMEX Strip Pricing

The following table provides our total estimated proved reserve, probable reserve and possible reserve information prepared by Ryder Scott as of September 30, 2022, using NYMEX strip prices as of market close on September 30, 2022 and PV-10 Value and the Standardized Measure for such period. We have included this information in order to provide an additional method of presentation of the fair value of our assets and the cash flows that we expect to generate from those assets based on the market's forward-looking pricing expectations as of September 30, 2022. The historical 12-month pricing average in our September 30, 2022 disclosures above does not reflect the prevailing natural gas and oil futures. We believe that the use of forward prices provides investors with additional useful information about our reserves, as the forward prices are based on the market's forward-looking expectations of natural gas and oil prices as of a certain date, although we caution investors that this information should be viewed as a helpful alternative, not a substitute, for the data presented based on SEC Pricing. In addition, we believe that NYMEX strip pricing provides relevant and useful information because it is widely used by investors in our industry as a basis for comparing the relative size and value of our reserves to our peers. Our estimated reserves based on NYMEX futures were otherwise prepared on the same basis as our SEC reserves for the comparable period. Actual future prices may vary significantly from the NYMEX strip prices on September 30, 2022. Actual revenue and value generated may be more or less than the amounts disclosed. There are numerous uncertainties inherent in estimating quantities of natural gas, NGL and oil reserves and their values, including many factors beyond our control. In addition, estimates of probable and possible reserves are inherently imprecise and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — Our estimated natural gas, NGL and oil reserve quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.*"

	September 30, 2022
Estimated proved developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	3,664,049
Producing	3,275,209
Non-producing	388,839
Natural gas liquids (MBbls)	167,260
Producing	153,398
Non-producing	13,862
Oil (MBbls)	1,059
Producing	955
Non-producing	104
Total estimated proved developed reserves (MMcfe)	4,673,960
Producing	4,201,327
Non-producing	472,633
Standardized Measure (millions)	3,846
PV-10 (millions)[(1)]	4,847
Estimated proved undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	1,139,781
Natural gas liquids (MBbls)	42,895
Oil (MBbls)	620

	September 30, 2022
Total estimated proved undeveloped reserves (MMcfe) [2][3]	1,400,871
Standardized Measure (millions)	717
PV-10 (millions)[4]	960
Estimated proved reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	4,803,830
Natural gas liquids (MBbls)	210,155
Oil (MBbls)	1,679
Total estimated proved reserves (MMcfe)	1,790,770
Standardized Measure (millions)	$ 4,563
PV-10 (millions)[5]	$ 5,807
Estimated probable reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	923,286
Natural gas liquids (MBbls)	210,155
Oil (MBbls)	1,605
Total estimated probable reserves (MMcfe) [3][6]	1,332,901
Standardized Measure (millions)	$ 373
PV-10 (millions)[7]	$ 423
Estimated possible reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	521,542
Natural gas liquids (MBbls)	30,699
Oil (MBbls)	1,128
Total estimated possible reserves (MMcfe) [3][6]	712,508
Standardized Measure (millions)	$ 99
PV-10 (millions)[8]	$ 139

(1) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved developed reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 4,847
Present value of future income taxes discounted at 10%	(1,001)
Standardized Measure	$ 3,846

(2) Proved undeveloped reserves as of September 30, 2022 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years.

(3) Sustained lower prices for oil and natural gas may cause us to forecast less capital to be available for development of our PUD, probable and possible reserves, which may cause us to decrease the amount of our PUD, probable and possible reserves we expect to develop within the allowed time frame. In addition, lower oil and natural gas prices may cause our PUD, probable and possible reserves to become uneconomic to develop, which would cause us to remove them from their respective reserve category.

(4) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved undeveloped reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 960
Present value of future income taxes discounted at 10%	(243)
Standardized Measure	$ 717

(5) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 5,807
Present value of future income taxes discounted at 10%	(1,244)
Standardized Measure	$ 4,563

(6) Estimates of probable and possible reserves, respectively, and the respective future cash flows related to such estimates, are inherently imprecise and are more uncertain than proved reserves, and the future cash flows related to such estimates. For more information regarding the presentation of probable and possible reserves, see "*Business — Preparation of Reserve Estimates and Internal Controls.*"

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated probable reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 423
Present value of future income taxes discounted at 10%	(50)
Standardized Measure	$ 373

(8) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 139
Present value of future income taxes discounted at 10%	(40)
Standardized Measure	$ 99

RISK FACTORS

Investing in our common stock involves risks. The information in this prospectus should be considered carefully, including the matters addressed under "Cautionary Statement Regarding Forward-Looking Statements" and the following risks, before making an investment decision. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also materially affect our business. The occurrence of any of the following risks or additional risks and uncertainties that are currently immaterial or unknown could materially and adversely affect our business, financial condition, liquidity, results of operations, cash flows, prospects or ability to pay dividends to holders of our common stock. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Upstream Business and Industry

The volatility of natural gas and NGL prices due to factors beyond our control may materially and adversely affect our business, financial condition or results of operations and our ability to make required capital expenditures, meet our debt service obligations and other financial commitments and pay dividends on our common stock.

Our revenues, operating results, cash available to pay dividends and the carrying value of our natural gas properties, as well as our ability to make required capital expenditures (including the $20.0 to $22.0 million estimated total project cost of the Barnett Zero Project, the $14.0 to $24.0 million estimated total project cost of the Cotton Cove Project and the $250.0 million we expect to spend over the next three years in connection with our CCUS project development partnership with Verde CO2), meet our debt service obligations and other financial commitments and pay dividends on our common stock, depend significantly upon the prevailing market prices for natural gas and NGLs. Prices for natural gas and NGLs are subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors beyond our control. These factors include, but are not limited to:

- worldwide and regional economic conditions impacting the global supply of, and demand for, natural gas and NGLs, including inflation;
- the price, amount, timing and quantity of foreign imports of natural gas and NGLs;
- political conditions in or affecting other producing countries, including the armed conflict between Russia and Ukraine and associated economic sanctions on Russia and conditions in China, the Middle East, Africa and South America;
- the level of global drilling, exploration and production;
- the level of global inventories;
- prevailing market prices on local price indexes in the areas in which we operate and expectations about future commodity prices;
- the impact on worldwide economic activity of an epidemic, outbreak or other public health events, such as the COVID-19 pandemic or threat of such epidemic or outbreak, or any government response to such occurrence or threat;
- increased associated natural gas and NGL production resulting from higher oil prices and the related increase in oil production;
- the proximity of our natural gas and NGL production to, and capacity and cost of, natural gas and NGL pipelines and other transportation and storage facilities, and other factors that result in differentials to benchmark prices;
- local and global supply and demand fundamentals and transportation availability;
- United States storage levels of natural gas and NGLs;
- weather conditions and other natural disasters;
- domestic and foreign governmental regulations, including environmental initiatives and taxation;

- overall domestic and global economic conditions;
- the value of the dollar relative to the currencies of other countries;
- stockholder activism or activities by non-governmental organizations to restrict the exploration, development and production of natural gas, NGLs and oil to minimize emissions of carbon dioxide, a GHG;
- the actions of OPEC and other oil producing countries, including Russia;
- speculative trading in natural gas and NGL derivative contracts;
- technological advances affecting energy consumption and energy supply;
- the price, availability and acceptance of alternative energy sources; and
- the impact of energy conservation efforts.

These factors and the volatility of the energy markets make it extremely difficult to predict future natural gas price movements accurately. Changes in natural gas and NGL prices have a significant impact on the amount of natural gas and NGLs that we can produce economically, the value of our reserves, our cash flows and our ability to satisfy obligations under our firm transportation and storage agreements. Historically, natural gas and NGL prices and markets have been volatile, and those prices and markets are likely to continue to be volatile in the future. For example, during the nine months ended September 30, 2022, the Henry Hub natural gas spot price reached a high of $9.85 per MMBtu in August 2022 and a low of $3.73 in January 2022, and during the year ended December 31, 2021, the Henry Hub natural gas spot price reached a high of $23.86 per MMBtu in February 2021 and a low of $2.43 per MMBtu in April 2021, in each case, according to the U.S. Energy Information Administration (the “EIA”).

A substantial percentage of our natural gas and NGL production is gathered, processed and transported by a single third party and all of our natural gas production is marketed by a single third party.

Approximately 99% of our natural gas and NGL production for the assets we acquired in the Devon Barnett Acquisition, which comprised approximately 72%, 77% and 44% of our total natural gas and NGL production for the nine months ended September 30, 2022 and the years ended December 31, 2021 and 2020, respectively, was gathered, processed and transported by EnLink using its gas gathering systems, gas transportation system and gas processing facilities. Any termination or sustained disruption in the gathering, processing and transportation of our natural gas and NGL production by EnLink on its systems and in its facilities would materially and adversely affect our financial condition and results of operations and may limit our ability to pay dividends on our common stock.

We utilize an unaffiliated third party to market all of our natural gas production to various purchasers, which consist of credit-worthy counterparties, including utilities, LNG producers, industrial consumers, major corporations and super majors, in our industry. We rely on the credit worthiness of such third-party marketer, who collects directly from the purchasers and remits to us the total of all amounts collected on our behalf less their fee for making such sales. Our business, financial condition, results of operations and ability to pay dividends on our common stock would be materially adversely affected if such third party fails to remit to us amounts collected by it on our behalf for such sales or if, in the future, it becomes necessary or advisable for us to replace our third-party marketer and we experience disruption in the marketing and sale of our natural gas production for so long as we are unable to find a replacement marketer.

Our estimated natural gas, NGL and oil reserve quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.

Numerous uncertainties are inherent in estimating quantities of natural gas, NGL and oil reserves. The process of estimating natural gas, NGL and oil reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, engineering and economic data for each reservoir, including assumptions regarding future natural gas, NGL and oil prices, subsurface characterization, production levels and operating and development costs. For example, our estimates of our reserves at SEC

Pricing are based on the unweighted first-day-of-the-month arithmetic average commodity prices over the prior 12 months in accordance with SEC guidelines. Future prices received for production and costs may vary, perhaps significantly, from the prices and costs assumed for purposes of those estimates. Sustained lower natural gas, NGL and oil prices will cause the 12-month unweighted arithmetic average of the first-of-the-day price for each of the 12 months preceding to decrease over time as the lower natural gas, NGL and oil prices are reflected in the average price, which may result in the estimated quantities and present values of our reserves being reduced. To the extent that natural gas, NGL and oil prices become depressed or decline materially from current levels, such conditions could render uneconomic a portion of our proved natural gas, NGL and oil reserves, and we may be required to write down our proved reserves.

Furthermore, SEC rules require that, subject to limited exceptions, PUD reserves may only be recorded if they relate to wells scheduled to be drilled within five years after the date of booking. This rule may limit our potential to record additional PUD reserves as we pursue our drilling program. To the extent that natural gas, NGL and oil prices become depressed or decline materially from current levels, such condition could render uneconomic a number of our identified drilling locations, and we may be required to write down our PUD reserves if we do not drill those wells within the required five-year time frame or choose not to develop those wells at all.

As a result, estimated quantities of natural gas, NGL and oil reserves and projections of future production rates and the timing of development expenditures may prove to be inaccurate. Over time, we may make material changes to our reserve estimates. Any significant variance in our assumptions and actual results could greatly affect our estimates of reserves, the economically recoverable quantities of natural gas, NGL and oil attributable to any particular group of properties, the classifications of reserves based on risk of non-recovery and estimates of future net cash flows.

In addition, estimates of probable reserves, and the future cash flows related to such estimates, are inherently imprecise and are more uncertain than estimates of proved reserves, and the future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of probable reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved and possible reserves, respectively, and the respective future cash flows related to such estimates, and should not be summed arithmetically with estimates of either proved or possible reserves, respectively, and the respective future cash flows related to such estimates. When producing an estimate of the amount of natural gas, NGLs and oil that is recoverable from a particular reservoir, an estimated quantity of probable reserves is an estimate of those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Estimates of probable reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors. When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

Estimates of possible reserves, and the future cash flows related to such estimates, are also inherently imprecise and are more uncertain than estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of possible reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, and should not be summed arithmetically with estimates of either proved or probable reserves, respectively, and the respective future cash flows related to such estimates. When producing an estimate of the amount of natural gas, NGLs and oil that is recoverable from a particular reservoir, an estimated quantity of possible reserves is an estimate that might be achieved, but only under more favorable circumstances than are likely. Estimates of possible reserves are also continually subject to revisions based on production history, results of additional exploration and development, price

changes and other factors. When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. Possible reserves may be assigned to areas of a reservoir adjacent to probable reserve where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir. Possible reserves also include incremental quantities associated with a greater percentage of recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves. Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and we believe that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

The present value of future net revenues from our proved natural gas, NGL and oil reserves, or PV-10, will not necessarily be the same as the current market value of our estimated proved natural gas, NGL and oil reserves.

You should not assume that the present value of future net revenues from our proved reserves is the current market value of our estimated natural gas, NGL and oil reserves. We currently base the estimated discounted future net revenues from our proved reserves on the 12-month unweighted arithmetic average of the first-day-of-the-month price for the preceding 12 months. Actual future net revenues from our natural gas, NGL and oil reserves will be affected by factors such as:

- actual prices we receive for natural gas, NGL and oil;
- actual cost of development and production expenditures;
- the amount and timing of actual production;
- transportation and processing; and
- changes in governmental regulations or taxation.

The timing of both our production and our incurrence of expenses in connection with the development and production of our natural gas, NGL and oil properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. In addition, the 10% discount factor we use when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with us or the natural gas, NGL and oil industry in general. Actual future prices and costs may differ materially from those used in the present value estimate.

The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate.

Recovery of PUD reserves requires significant capital expenditures and successful drilling operations. As of September 30, 2022, approximately 1,857 Bcfe, or 29%, of our total estimated proved reserves were undeveloped or behind pipe. The reserve data included in our reserve report assumes that substantial capital expenditures will be made to develop non-producing reserves. We cannot be sure that the estimated costs attributable to our natural gas, NGL and oil reserves are accurate. We may need to raise additional capital to develop our estimated PUD reserves over the next five years and we cannot be certain that additional financing will be available to us on acceptable terms, or at all. Additionally, sustained or further declines in commodity prices will reduce the future net revenues of our estimated PUD reserves and may result in some projects becoming uneconomical. Further, our drilling efforts may be delayed or unsuccessful and actual reserves may prove to be less than current reserve estimates, which could have a material adverse effect on our financial condition, future cash flows, results of operations and ability to pay dividends on our common stock.

As part of our exploration and development operations, we have expanded, and expect to further expand, the application of horizontal drilling and multi-stage hydraulic fracture stimulation techniques. The utilization of these techniques requires substantially greater capital expenditures as compared to the

completion cost of a vertical well and therefore may result in fewer wells being completed in any given year. The incremental required capital expenditures are the result of greater measured depths and additional hydraulic fracture stages in horizontal wellbores.

Unless we replace our reserves with new reserves and develop those reserves, our reserves and production will decline, which would adversely affect our future cash flows, results of operations and ability to pay dividends on our common stock.

In general, the volume of production from natural gas, NGL and oil properties declines as reserves are depleted, with the rate of decline depending on each reservoir's characteristics. Except to the extent that we conduct successful exploration, exploitation and development activities or acquire properties containing proved reserves, or both, our proved reserves will decline as reserves are produced. Our future natural gas and NGL production is, therefore, highly dependent on our level of success in finding or acquiring additional reserves as well as the pace of drilling and completion of new wells. Additionally, the business of exploring for, exploiting, developing or acquiring reserves is capital intensive. Recovery of our reserves, particularly undeveloped reserves, will require significant additional capital expenditures and successful drilling operations. To the extent cash flow from operations is reduced and external sources of capital become limited or unavailable, our ability to make the necessary capital investment to maintain or expand our asset base of natural gas and NGL reserves would be impaired.

If natural gas and NGL prices become depressed for extended periods of time or decline materially from current levels, we may be required to record write-downs of the carrying value of our proved natural gas and NGL properties.

We follow the successful efforts method of accounting for natural gas producing activities. Impairment is indicated when a triggering event occurs and the sum of the estimated undiscounted future net cash flows of an evaluated asset is less than the asset's carrying value. If undiscounted future cash flows are insufficient to recover the net capitalized costs related to proved properties, then we recognize an impairment charge in our results of operations equal to the difference between the net capitalized costs related to proved properties and their estimated fair values based on the present value of the related future net cash flows. Triggering events could include, but are not limited to, an impairment of natural gas and NGL reserves caused by mechanical problems, faster-than-expected decline of reserves, lease-ownership issues, declines in commodity prices and changes in the utilization of midstream gathering and processing assets. If impairment is indicated, fair value is calculated using a discounted-cash flow approach and any excess of carrying value is expensed. Undeveloped natural gas and NGL properties are evaluated for impairment on a regular basis, based on the results of the exploratory activity and management's evaluation. If the assessment indicates an impairment, an impairment loss is recognized. Future price decreases could result in reductions in the carrying value of our assets and an equivalent charge to earnings.

We periodically evaluate our unproved natural gas, NGL and oil properties to determine recoverability of our costs and could be required to recognize non-cash charges in the earnings of future periods.

As of September 30, 2022, we carried unproved natural gas, NGL and oil property costs of $17.1 million. GAAP requires periodic evaluation of unproved natural gas, NGL and oil property costs on a project-by-project basis. These evaluations are affected by the results of exploration activities, commodity price outlooks, planned future sales or expirations of all or a portion of these leases and the contracts and permits relevant to such projects. If the quantity of potential reserves determined by such evaluations is not sufficient to fully recover the costs invested in each project, we will recognize non-cash charges in future periods.

Properties that we have acquired or which we may acquire in the future may not produce as projected, and we may be unable to determine reserve potential, identify liabilities associated with such properties or obtain protection from sellers against such liabilities.

Acquiring natural gas and NGL properties requires us to assess reservoir and infrastructure characteristics, including recoverable reserves, development and operating costs and potential liabilities, including environmental liabilities. Such assessments are inherently inexact and uncertain. For these reasons, the properties we have acquired or will acquire in the future may not produce as projected. Further, the

annual decline rates of reserves are estimated decline rates, which could ultimately be materially different than actual annual decline rates. We often are not entitled to contractual indemnification for environmental liabilities and acquire properties on an "as is" basis. We perform a review of the subject properties, but such a review will not reveal all existing or potential problems. In the course of our due diligence, we may not review every well, pipeline or associated facility. We cannot necessarily observe structural and environmental problems, such as pipe corrosion or groundwater contamination, when a review is performed. We may be unable to obtain contractual indemnities from the seller for liabilities created prior to our purchase of the property. We may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with our expectations.

Our failure to correctly assess reservoir and infrastructure characteristics of the natural gas and NGL properties that we acquire or have acquired, or to identify material defects or liabilities associated with such properties, or actual decline rates that differ materially from estimated decline rates, could have a material adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Market conditions or operational impediments may hinder our access to natural gas and NGL markets or delay or curtail our natural gas and NGL production.

Market conditions or the unavailability of natural gas and NGL processing, transportation or storage arrangements may hinder our access to natural gas and NGL markets or delay or curtail our production. The availability of a ready market for our natural gas and NGL production depends on a number of factors, including the demand for and supply of natural gas and NGLs, the proximity of our natural gas and NGL production to and capacity of pipelines and storage facilities, gathering systems and other transportation, processing, fractionation, refining and export facilities, competition for such facilities and the inability of such facilities to gather, transport, store or process our natural gas and NGL production due to shutdowns or curtailments arising from mechanical, operational or weather related matters, including hurricanes and other severe weather conditions, or pandemics such as the COVID-19 pandemic or regulatory action related thereto.

Our firm transportation and storage agreements require us to pay demand charges for firm transportation and storage capacities that we do not utilize. If we fail to utilize our firm transportation and storage capacities due to production shortfalls or otherwise, then our margins, results of operations and financial performance could be adversely affected.

We enter into long-term firm transportation agreements, which as of September 30, 2022, provided us with a network of approximately 1,087,500 MMBtu/d of combined firm transportation capacity to East Coast, Gulf Coast, and Southeast markets as it relates to our upstream business units. Additionally, BKV-BPP Power has long-term firm transportation and storage agreements, which, as of September 30, 2022, provided BKV-BPP Power with 75,000 MMBtu/d of firm transportation and 2,812,500 MMBtu of firm storage with Energy Transfer. We are obligated under these arrangements to pay a demand charge for firm transportation and storage capacity rights on a majority these pipeline and storage systems regardless of the amount of pipeline or storage capacity we utilize, subject to our right to release all or a portion of our firm transportation or storage capacities to other shippers and reduce our exposure to demand charges. Our minimum aggregate required payments per year under firm gathering and transportation agreements are approximately $16.5 million for 2022, $58.0 million for 2023, $42.1 million for 2024, $22.3 million for 2025, $20.5 million for 2026 and $82.5 million for 2027 and beyond. See "*Business — Marketing and Differentials*."

If our anticipated production does not exceed the minimum quantities provided in the agreements, and we are unable to purchase natural gas and NGLs from third parties or release our capacity to other shippers, then our margins, results of operations and financial performance could be adversely affected.

Drilling for natural gas wells is a high-risk activity with many uncertainties that could adversely affect our business, financial condition or results of operations.

Drilling natural gas wells, including development wells, involves numerous risks, including the risk that we may not encounter commercially productive natural gas and NGL reserves (including "dry holes"). We

must incur significant expenditures to drill and complete wells, the costs of which are often uncertain. It is possible that we will make substantial expenditures on drilling and not discover reserves in commercially viable quantities.

Specifically, we often are uncertain as to the future cost or timing of drilling, completing and operating wells, and our drilling operations and those of our third-party operators may be curtailed, delayed or canceled. The cost of our drilling, completing and well operations may increase and our results of operations and cash flows from such operations may be impacted, as a result of a variety of factors, including:

- unexpected drilling conditions;
- title problems;
- pressure or irregularities in formations;
- equipment failures or accidents;
- adverse weather conditions, such as winter storms, flooding and hurricanes, and changes in weather patterns;
- compliance with, or changes in, environmental laws and regulations relating to air emissions, hydraulic fracturing and disposal of produced water, drilling fluids and other wastes, laws and regulations imposing conditions and restrictions on drilling and completion operations and other laws and regulations, such as tax laws and regulations;
- the availability and timely issuance of required governmental permits and licenses; and
- the availability of, costs associated with, and terms of contractual arrangements for, properties, including mineral licenses and leases, pipelines, facilities and equipment to gather, process, compress, store, transport and market natural gas and NGLs and related commodities.

For instance, in our drilling operations across NEPA and the Barnett from time to time we experience certain issues and the occurrence of risks, including, for example, mechanical and instrument or tool failures, drilling difficulties associated with drilling in swelling clay or shales and unconsolidated formation, particularly in certain parts of our Barnett development acreage, wellbore instability and other geological hazards, loss of well control, loss of drilling fluids, inability to establish fluid circulation, loss of drill pipe, loss of casing integrity, stuck tools and drill pipes, insufficient cementing of casing, among other typical shale drilling challenges.

Our failure to recover our investment in wells, increases in the costs of our drilling operations or those of our third-party operators, and/or curtailments, delays or cancellations of our drilling operations or those of our third-party operators in each case due to any of the above factors or other factors, may materially and adversely affect our business, financial condition and results of operations.

Drilling, completions, workover and hydraulic fracturing operations are operationally complex activities which present certain risks that could adversely affect our business, financial condition or results of operations.

In our drilling operations, from time to time we experience certain issues and encounter risks, including, for example, mechanical and instrument or tool failures; drilling difficulties associated with drilling in swelling clay or shales and unconsolidated formation, particularly in select parts of our Barnett development acreage; wellbore instability and other geological hazards; loss of well control and associated hydrocarbon release and/or natural gas clouds; loss of drilling fluids circulation; surface spills of various drilling or well fluids; subsurface collision with existing wells; proximity of adjacent water wells or aquifers; inability to establish drilling fluid circulation; loss or compromise of drill pipe or casing integrity; surface pumping operations and associated pressure and hydrocarbon hazards; stuck and lost-in-hole tools, drill pipe or casing; large drilling equipment and machinery including electrical hazards; insufficient cementing of casing causing unwanted casing pressure or fluid migration; surface overpressure events from large machinery (horsepower), equipment or well pressure; fines and violations related to relevant laws and regulations; fires and explosions; personnel safety hazards such as working at heights, driving or equipment operation, energy isolation, excavation and trenching and more; structural damage and collapse to large equipment

and machinery; major damage or malfunction to key equipment or processes; in certain instances, close proximity of operations to residences and/or communities; among other typical shale basin drilling challenges and risks.

In our hydraulic fracturing, workover and completions activities, from time to time we experience certain issues and encounter risks, including, for example, mechanical and instrument or tool failures; loss of well control and associated hydrocarbon release and/or natural gas clouds; well kick or flowback during completion or fracturing operations; lost or stuck in hole wireline, coiled tubing or workover strings and tools; loss or compromise of workover string, tubing or casing integrity; large completions, wireline, coiled tubing and workover rig equipment and machinery including electrical hazards; insufficient cementing of casing causing unwanted casing pressure or fluid migration while fracturing or thereafter; proximity of adjacent water wells or aquifers and adjacent producing wells; surface spills of various fracturing, freshwater or well fluids or chemicals; surface pumping and flowback operations and associated pressure and hydrocarbon hazards; surface overpressure events from large machinery (horsepower), equipment or well pressure; fines and violations related to relevant laws and regulations; fires and explosions; personnel safety hazards such as working at heights, driving or equipment operation, energy isolation, excavation and trenching and more; structural damage and collapse to large equipment and machinery; major damage or malfunction to key equipment or processes; in certain instances, close proximity of operations to residences and/or communities; among other typical fracturing, workover and completion challenges and risks.

We may incur losses as a result of title defects in the properties in which we invest.

It is our practice in acquiring oil and natural gas leases or interests not to incur the expense of retaining lawyers to examine the title to the mineral interest at the time of acquisition. Rather, we rely upon the judgment of lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before attempting to acquire a lease or other interest in a specific mineral interest. The existence of a material title deficiency can render a lease or other interest worthless and can adversely affect our results of operations and financial condition. The failure of title on a lease, in a unit or any other mineral interest may not be discovered until after a well is drilled, in which case we may lose the lease and the right to produce all or a portion of the minerals under the property.

Our identified drilling locations are scheduled to be drilled over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill such locations.

Our management team has identified drilling locations as an estimation of our future development activities on our existing acreage. These identified drilling locations represent a significant part of our growth strategy. Our ability to drill and develop these identified drilling locations depends on a number of factors, including commodity prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling conditions, drilling results, lease expirations, gathering system, marketing and transportation constraints, regulatory approvals, urban growth and other factors. If commodity prices become depressed or decline materially from current levels, the number of locations would decrease as increasing numbers of locations would become uneconomic, and any such decrease may be significant. Even to the extent any locations remain capable of economic production, we may determine not to drill such locations until commodity prices recover. Because of these uncertain factors, we do not know if the identified drilling locations will ever be drilled or if we will be able to produce natural gas and NGLs from these drilling locations. In addition, unless production is established within the spacing units covering the undeveloped acres on which some of the identified locations are located, the leases for such acreage will expire. Therefore, our actual drilling activities may materially differ from those presently identified.

Part of our strategy involves drilling using the latest available horizontal drilling and completion techniques, which involves risks and uncertainties in their application.

To the extent we target emerging areas, the results of our horizontal drilling efforts in such areas will generally be more uncertain than drilling results in areas that are more developed and have more established production from horizontal formations. Because emerging areas and associated target formations have limited or no production history, we are less able to rely on past drilling results in those areas as a basis to

predict our future drilling results. In addition, horizontal wells drilled in shale formations, as distinguished from vertical wells, utilize multilateral wells and stacked laterals, all of which may be subject to well spacing, density and proration requirements, which requirements could adversely impact our ability to maximize the efficiency of our horizontal wells related to reservoir drainage over time. Further, access to adequate gathering systems or pipeline takeaway capacity and the availability of drilling rigs and other services may be more challenging in new or emerging areas. If our drilling results are less than anticipated or we are unable to execute our drilling program because of capital constraints, access to gathering systems, takeaway capacity constraints or otherwise, availability of drilling surface acreage, or commodity prices decline, our investment in these areas may not be as economic as we anticipate, we could incur material write-downs of unevaluated properties and the value of our undeveloped acreage could decline in the future.

Our operations are substantially dependent on the availability of water. Restrictions on our ability to obtain water may have an adverse effect on our financial condition, results of operations and cash flows.

Water is an essential component of both the drilling and hydraulic fracturing processes. Historically, we have been able to purchase water from local landowners and other sources for use in our operations. Some areas in which we have operations have experienced drought conditions that could result in restrictions on water availability or use. Such drought conditions and water stress may become more frequent or intense as a result of climate change. If we are unable to obtain water to use in our operations from local sources or are unable to transport and store such water, we may be unable to economically produce natural gas and NGLs in the affected areas, which could have an adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

The unavailability or high cost of equipment, supplies, personnel and oilfield services could adversely affect our ability to execute our development and exploitation plans on a timely basis and within budget, and consequently could adversely affect our anticipated cash flow.

We utilize third-party services to maximize the efficiency of our operations. The cost of oilfield services typically fluctuates based on demand for those services. While we currently have excellent relationships with oilfield service companies, there is no assurance that we will be able to contract for such services on a timely basis or that the cost of such services will remain at a satisfactory or affordable level. Shortages, quality or the high cost of equipment, supplies or personnel could delay or adversely affect our development and exploitation operations, which could have a material adverse effect on our business, financial condition or results of operations.

We have limited control over activities on properties we do not operate, which could reduce our production and revenues.

As of September 30, 2022, we operated approximately 93% of our net (70% of our gross) acreage. With respect to our natural gas midstream business, we do not operate the NEPA midstream entities, and in the Barnett, as of September 30, 2022, approximately 29% of our gross operated production volumes were gathered and processed by our owned and operated system. We have limited control over properties and midstream facilities which we do not operate or do not otherwise control operations. If we do not operate or otherwise control the properties and midstream facilities in which we own an interest, we do not have control over normal operating procedures, expenditures or future development of the underlying properties. The failure of an operator of wells in which we own a non-operating interest or an operator of midstream facilities in which we have an interest to adequately perform operations, an operator's financial difficulties, including as a result of price volatility or an operator's breach of the applicable agreements, could reduce our production and revenues. The success and timing of the drilling and development activities on properties operated by others, as well as the midstream activities with respect to our assets, therefore, depends upon a number of factors outside of our control, including the operator's timing and amount of capital expenditures, expertise and financial resources, inclusion of other participants in drilling wells and use of technology.

Risks Related to Our Power Generation Business

We operate our power generation business through a joint venture which we do not control.

We and BPPUS each have a 50% interest in the BKV-BPP Power Joint Venture. For the nine months ended September 30, 2022 and the year ended December 31, 2021, our interest in the BKV-BPP Power Joint Venture represented approximately 2.8% and approximately 0.2% of our revenues, respectively.

In accordance with the terms of the Limited Liability Company Agreement of BKV-BPP Power (the "BKV-BPP Power LLC Agreement"), the BKV-BPP Power Joint Venture is managed by a board of directors consisting of eight members, four of which are appointed by us and four of which are appointed by BPPUS. Consequently, BKV-BPP Power may not take certain material actions without the consent of BPPUS. For example, without the prior consent of BPPUS, the BKV-BPP Power Joint Venture may not:

- make distributions or determine the amount of cash to be distributed;
- make capital expenditures, including acquisitions; or
- incur indebtedness in an amount greater than $1,500,000.

See "*Certain Relationships and Related Party Transactions — BKV-BPP Power Limited Liability Company Agreement*."

We face certain risks associated with shared control, and BPPUS may at any time have economic, business or legal interests or goals that are inconsistent with ours.

We may be required to make additional capital contributions to the BKV-BPP Power Joint Venture.

In addition, BPPUS may be required to make additional capital contributions to fund items approved in the annual budget or other matters approved by the board of directors of BKV-BPP Power. We do not control the timing or the amount which we may be required to contribute. If we fail to make additional capital contributions to BKV-BPP Power, as approved by the board of directors, such failure could be deemed an event of default under the JV LLCA. If an event of default occurs, the non-defaulting party will be entitled to (i) sell the assets of the joint venture and dissolve the joint venture on reasonable terms deemed acceptable to the BKV-BPP board, (ii) obtain specific performance of the non-defaulting party's obligations, and/or (iii) exercise any other right or remedy provided in law or in equity. If we default on any obligation to make an additional capital contribution to BKV-BPP Power and any of these events were to occur, it could have a material adverse effect on the BKV-BPP Power Joint Venture and on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Operation of electric generation facilities involves significant risks and hazards customary to the power industry that could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

The ongoing operation of Temple I involves risks that include performance below expected levels of output or efficiency, as well as the unavailability of key equipment or breakdown or failure of equipment or processes (including an inability to obtain key equipment from Siemens natural gas generators and steam turbines and Benson heat recovery steam generators, which are used by Temple I), due to wear and tear, latent defect, design error or operator error or force majeure events, among other things. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems, occur from time to time and are an inherent risk of the business. Unplanned outages typically increase operation and maintenance expenses and capital expenditures and may reduce revenue available to be distributed to BPPUS and us as a result of selling fewer megawatt hours or require us to incur significant costs as a result of obtaining replacement power from third parties in the open market to satisfy forward power sales obligations. Our inability to operate the BKV-BPP Power electric generation assets efficiently, manage capital expenditures and costs and generate distributions from Temple I could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Maintenance, expansion and refurbishment of electric generation facilities involve significant risks that could result in unplanned power outages or reduced output.

Temple I may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, could reduce the facility's generating capacity below expected levels, reducing potential cash distributions to BPPUS and us. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facility may also reduce profitability.

If we make any major modifications to Temple I, we may be required to install the best available control technology or to achieve the lowest achievable emission rates as such terms are defined under and determined pursuant to the new source review provisions of the Clean Air Act ("CAA") at the time of such modifications. Any such modifications could likely result in substantial additional capital expenditures. We may also choose to repower, refurbish or upgrade our facility based on our assessment that such activity will provide adequate financial returns. Such facility requires time for development and capital expenditures before commencement of commercial operations, and key assumptions underpinning a decision to make such an investment may prove incorrect, including assumptions regarding construction costs, timing, available financing and future fuel and power prices. These events could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Temple I may operate, wholly or partially, without long-term power sales agreements.

Temple I may operate without long-term power sales agreements for some or all of its generating capacity and output and therefore be exposed to market fluctuations. Without the benefit of long-term power sales agreements for the facility, we cannot be sure that the BKV-BPP Power Joint Venture will be able to sell any or all of the power generated by the facility at commercially attractive rates or that the facility will be able to operate profitably. This could lead to less predictable revenues, future impairments of the facility's property, plant and equipment or the closing of the facility, resulting in economic losses and liabilities, which could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Our near-term business plan contemplates the execution of midstream contracts with certain third parties in order to allow us to supply our own natural gas directly to Temple I and its firm intrastate natural gas storage service at the Bammel storage facility. We cannot assure you that we will be successful in obtaining the commercial contracts necessary to facilitate direct delivery of our natural gas production to Temple I on commercially reasonable terms, or at all.

We cannot assure you that we will succeed in any effort to establish midstream contracts that would allow us to supply our own natural gas directly to Temple I and its firm intrastate natural gas storage service at the Bammel storage facility. Although the physical infrastructure exists to supply our own natural gas directly to Temple I and the Bammel storage facility, our ability to utilize that infrastructure depends on whether we can successfully negotiate and enter into new midstream contracts on satisfactory terms or at all. If we fail to enter into such contracts on satisfactory terms or at all, we may be unable to achieve the synergistic cost savings we anticipated in connection with the BKV-BPP Power Joint Venture, which could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Our long-term business plan involves the development of retail power business, which would enable us to ultimately provide net zero wellhead-to-household energy to the end-consumer.

We intend to continue to build out our power generation business through opportunistic acquisitions of power generation assets and expand into retail power, which would enable us to ultimately provide net zero wellhead-to-household energy to the end-consumer. We may be unable to execute on our business plans, demand for these new services may not develop on a large or economic scale, we may be exposed to market price risk if our supply obligations are not fully hedged or suppliers fail to perform, weather events could be more extreme or mild than expected, which could affect customer demand in a manner that adversely affects revenue, or we may fail to operate a retail power business effectively. If we were unable to develop a commercially successful retail power business effectively or at all, it could limit our future growth in retail energy markets, and any failure to do so in whole or in part or in any significant measure could have a material adverse effect on our retail power business.

BKV-BPP Power enters into financially settled Heat Rate Call Options ("HRCOs") that may expose it to basis and buyback risk in its operations.

To reduce its exposure to fluctuations in the market price of electricity and natural gas, BKV-BPP Power enters into financially settled HRCOs, which are contracts for the financial purchase and sale of

power based on a floating price of natural gas at a predetermined location using a predetermined conversion factor, or heat rate, required to turn the fuel input into electricity. BKV-BPP Power is exposed to basis risk in its operations when its derivative contracts settle financially, and it delivers physical electricity on different terms. For example, if BKV-BPP Power enters into an HRCO, it hedges its electricity production based on an agreed price for that electricity, but physical electricity must be delivered to delivery points in the market it serves. BKV-BPP Power is exposed to basis risk between the hub price specified in the HRCO and the price that it receives for the sales of physical electricity. BKV-BPP Power attempts to hedge basis risk where possible, but hedging instruments are sometimes not economically feasible or available in the quantities that it requires. BKV-BPP Power's hedging activities do not provide it with protection for all of its basis risk and could result in economic losses and liabilities, which could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Additionally, by using derivative instruments to economically hedge exposure to changes in power prices, we could limit the benefit we would receive from increases in the power prices, which could have an adverse effect on our financial condition. For example, as of September 30, 2022, we had unrealized losses of approximately $3.0 million on two HRCOs as a result of increased power pricing. In the event BKV-BPP Power is not able to satisfy its obligations under the HRCO, it must purchase power at prevailing market price to satisfy the HRCO. Likewise, increases in power pricing could limit the benefit we receive under HRCOs and result in losses. Either such event could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Our costs, results of operations, financial condition, cash flows and ability to pay dividends could be adversely impacted by the disruption of the fuel supplies necessary to generate power at Temple I, whether as a result of failure of contractual counterparties, disruption in fuel delivery infrastructure or otherwise.

Delivery of natural gas to fuel Temple I is dependent upon the infrastructure (including natural gas pipelines) available to serve such generation facility as well as upon the continuing financial viability of contractual counterparties. As a result, the BKV-BPP Power Joint Venture is subject to the risks of disruptions or curtailments in the production of power at our generation facility if a counterparty fails to perform or if there is a disruption in the fuel delivery infrastructure. Any such disruptions or curtailments could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Risks Related to Our CCUS Business

Our ability to establish large scale CCUS projects is subject to numerous risks and uncertainties. We may be unsuccessful in developing our CCUS business as currently anticipated, either wholly or in significant measure.

A key element of our business strategy includes the development of a CCUS business. We have no prior experience in the development and operation of a CCUS business, which poses different challenges and risks than our existing upstream and midstream businesses. We may be unable to execute on our business plans, demand for these new services may not develop on a large or economic scale, or we may fail to operate our CCUS business effectively. Our CCUS business may also present novel issues in law, taxation, emission offset accounting and accreditation, safety or environmental policy, subsurface storage, supply chain, project design and other areas that we may not be able to manage effectively or that could change considerably. Management's assessment of the risks in this line of business may be inexact and not identify or resolve all the problems that we would face. If we are unsuccessful in timely developing a commercially successful CCUS business, our future growth and results of operations may be materially and adversely affected, and we may be unable to realize much of our current business plans, including timely reaching our net zero goals of Scope 1, 2 and 3 emissions, either by the dates projected or at all.

Due to the early stage nature of CCUS projects and the sector generally, CCUS projects face considerable risks. In particular, the Barnett Zero Project, our BKV dCarbon Ventures CCUS project with EnLink, and the Cotton Cove Project face, and any of our potential CCUS projects in the future, including potential projects we expect to develop with Verde CO2 as well as the pipeline of CCUS projects currently under

evaluation, will face, operational, technological, regulatory and financial risks (including the risk that EnLink, or any of our other future counterparties to a CCUS project, will not meet their financial or performance obligations with respect to the CCUS project).

Although we have identified ten potential CCUS projects in addition to the Barnett Zero Project and Cotton Cove Project, these additional potential projects are in different stages of the evaluation process. We have not entered into any definitive agreements with respect to these potential projects and as such, we cannot assure you that we will reach FID, or complete, any of such potential projects. Our stated goals of timely achieving net zero Scope 1, 2 and 3 emissions are dependent, in part, on being able to commercially develop several of our existing pipeline of CCUS projects.

Further, our ability to successfully develop the Barnett Zero Project with EnLink, the Cotton Cove Project and any future potential CCUS projects, including projects we expect to develop with Verde CO2, depends on a number of factors that we are not able to fully control, including the following:

- Commercial scale carbon capture is an emerging sector, and there are not substantial precedents to gauge the likely range of structures or economic terms that will be necessary to reach agreeable terms.
- CCUS injection wells are currently subject to overlapping state and federal jurisdiction and new and evolving regulatory frameworks. The timetable for issuance of permits and authorizations required for a CCUS project is uncertain and could entail a multi-year process. The issuance of permits may be subject to regulatory delays and third-party challenges. We cannot guarantee that we will be able to obtain necessary permits on a timely basis, on favorable terms, or at all.
- As CCUS and carbon management represent an emerging sector, regulations may evolve rapidly, which could impact the feasibility of one or more of our anticipated projects. To the extent regulatory requirements are amended or more stringently enforced or new regulatory requirements are added, we may incur additional delays and/or costs in the pursuit of one or more of our carbon capture projects, which costs may be material or may render any one or more of our projects uneconomical.
- We may not own the pore space at all of our CCUS project sites, which may require us to enter into agreements with multiple owners to secure the necessary real estate rights for the extent of the geologic formation that may be utilized. The failure to obtain necessary pore space rights from all owners, in the absence of a state law mechanism for eminent domain or forced amalgamation, could have a material adverse effect on any proposed CCUS project.
- Robust monitoring, recordkeeping and reporting required in connection with CCUS projects may increase the costs of such operations. Different methodologies may be required to satisfy various regulatory and non-regulatory requirements regarding GHG emissions/sequestration at one or more of our projects, including but not limited to compliance with the EPA mandatory Greenhouse Gas Reporting Program.
- CCUS injection wells and carbon sequestration reservoirs or formations may experience integrity, operating or boundary breaches resulting in additional costs, liability and risk from undesired well casing pressures, breakthrough of injected CO_2 to the land surface, CO_2 plume migration outside of expected or modeled results into undesired or unwanted surface or subsurface areas, well integrity issues or various other outcomes.
- Carbon capture may be viewed as a pathway to the continued use of fossil fuels, notwithstanding that CO_2 emissions are intended to be captured. There may be organized opposition to carbon capture, including our projects, alleging concerns relating to the environment, environmental justice, health or safety, or the federal and state governments may cease supporting carbon capture and sequestration.
- The development of a CCUS project may require us to enter into long-term joint ventures with large carbon emitters (which may need to finance and build, often over a multi-year period, the equipment to capture CO_2 emissions from various industrial processes) and operators of infrastructure for transporting CO_2 (or other GHGs), and we may not be able to do so on agreeable terms or at all.

The development of our CCUS business is expected to require material capital investments.

We estimate the aggregate investment required by us to offset all of our Scope 3 emissions through a sufficient number of the identified potential CCUS projects and associated carbon credits, to be between

approximately $1.3 billion and $1.8 billion over the next seven to ten years. We currently estimate the total investment required by us for the Barnett Zero Project to be between $20.0 and $22.0 million and the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. In addition, we currently expect to invest up to $250.0 million over the next three years in connection with our CCUS project development partnership with Verde CO2. Our CCUS projects are expected to have material capital requirements, and there is no certainty that we will be able to timely finance these projects on commercially reasonable terms or at all, which could result in material delays or abandonment of certain projects, which in turn could negatively impact our ability to realize our business plan or to reach our near term and long term net zero goals on our anticipated time frame or at all. We similarly may not be able to reach out positive revenue goals for our CCUS business on the timeline we have predicted, which may likewise adversely impact our business or financial condition. CCUS activities subject us to the financial risks of rising costs of equipment and capital, possible delays in acquiring them, along with the financial impact of our expending capital on these activities in advance of realizing any CCUS cash flows, any of which could negatively impact our financial condition and operational results in future periods.

To the extent CO_2 transportation pipelines are not already present in proposed project areas, or if they do not extend to one or more of our project sites, we may be required to convert existing non-CO_2 pipelines, or build new CO_2 pipelines or lateral connections, which will require more time before we can bring together captured CO_2 emissions and transport them to appropriately tested and prepared sequestration sites, require much larger capital expenditures and may be subject to various environmental and other permitting requirements and authorizations as well as third-party easements that could be difficult or costly to obtain, which may render one or more projects uneconomical or impractical. The availability of eminent domain for carbon capture pipelines varies by state and can be highly controversial; there may be organized opposition to eminent domain for carbon capture pipelines, including those associated with our projects, from environmental or landowner groups. Additionally, even in areas where such pipelines are in place, our use of them may require reaching agreements on CO_2 transportation with operators of the pipelines.

The commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government.

The economics of CCUS projects depend on financial and tax incentives that could be changed or terminated and that may not currently be sufficient for our CCUS projects to be economical. For example, our qualification for enhanced Section 45Q tax credits is dependent upon our ability to meet certain wage and apprenticeship requirements, the details of which have not yet been released and which are expected to be included in future guidance. If we are unable to obtain the Section 45Q tax credits included in our financial assumptions, many of our proposed CCUS projects may no longer be commercially viable and may not be completed. We cannot assure you that we will be successful in obtaining any or all of the Section 45Q tax credits currently available.

CCUS projects will require storage of CO_2 in subterranean reservoirs over long periods of time. If accidental releases or subsurface migration of CO_2 from our CCUS activities were to occur in the course of operating one or more of our CCUS sites, there is the risk of government recapture of Section 45Q tax credits previously claimed by or issued to us, as well as a risk of trespass or other tort or property claims related to the accidental release or migration of CO_2 beyond the permitted boundaries of any anticipated project as well as the potential for fines and penalties for violations of environmental requirements.

A successful CCUS project in the United States must comply with what we anticipate will be a stringent regulatory scheme involving multiple federal and state permits applicable to the subsurface injection of CO_2 for geologic sequestration. Moreover, when we are the operator of a CCUS project, we must demonstrate and maintain levels of financial assurance sufficient to cover the cost of corrective action, injection well plugging, post-injection site care and site closure, and emergency and remedial response. There is no assurance that we will be successful in obtaining permits or adequate levels of financial assurance for one or more of our CCUS projects or that permits can be obtained on a timely basis, whether due to difficulty with the technical demonstrations required to obtain such permits, public opposition, undeveloped regulatory framework, or otherwise.

There can be no assurances that we will be able to execute on our CCUS strategy and successfully develop the Barnett Zero Project with EnLink in the Barnett, the Cotton Cove Project or any future CCUS

projects, including projects we expect to develop with Verde CO2, and any failure to do so in whole or in any significant measure could have a material adverse effect on our ability to reach our near term and long term net zero goals on our anticipated time frame or at all, as well as on our liquidity, financial condition, results of operations and ability to pay dividends on our common stock.

Risks Related to Our Midstream Business

Midstream operations are complex activities which present certain risks that could adversely affect our business, financial condition or results of operations.

In operating our midstream and production facilities, from time to time we experience certain issues and encounter risks, including, for example, mechanical and instrument or tool failures; loss of well, pressure vessel, tank or other related equipment control and associated hydrocarbon release and/or natural gas clouds; loss or compromise of casing integrity during production; unwanted casing pressure or fluid migration during production operations; unwanted migration of sequestered carbon dioxide or other fluids in injection wells; temporary and permanent surface facility operations and associated pressure and hydrocarbon hazards; surface overpressure events and other hazards resulting from machinery (horsepower), equipment or well pressure; fines and violations related to relevant laws and regulations; fires and explosions; pipeline loss of containment due to integrity issues, pipeline strikes or other reasons and associated hydrocarbon release; personnel safety hazards such as working at heights, driving or equipment operation, energy isolation, excavation and trenching and more; major damage or malfunction to key equipment or processes; structural damage and collapse to equipment and machinery; in certain instances, close proximity of operations to residences and/or communities; among other typical midstream and production facilities challenges and risks.

We depend on our natural gas midstream system for the gathering and processing of a substantial percentage of our natural gas production.

As of September 30, 2022, we own and operate approximately 778 miles of gathering pipeline, 65 midstream compressors and one amine processing unit. In the event that our natural gas midstream system is unable to process our natural gas production, or its operations are otherwise disturbed or curtailed, we could experience a disruption in our ability to transport our natural gas production, which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Construction of midstream projects subjects us to risks of construction delays, cost over-runs, limitations on our growth and negative effects on our financial condition, results of operations, cash flows and liquidity.

From time-to-time, we may plan and construct midstream projects, some of which may take a number of months before commercial operation, such as construction of natural gas, NGL and produced water gathering or transportation systems and construction of related facilities. These projects are complex and subject to a number of factors beyond our control, including delays from third-party landowners, the permitting process, government and regulatory approval, compliance with laws, unavailability of materials, labor disruptions, environmental hazards, financing, accidents, weather and other factors. Any delay in the completion of these projects could have a material adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock. The construction of these midstream facilities requires the expenditure of significant amounts of capital, which may exceed our estimated costs. Estimating the timing and expenditures related to these development projects is very complex and subject to variables that can significantly increase expected costs. Should the actual costs of these projects exceed our estimates, our liquidity and financial condition could be adversely affected. This level of development activity requires significant effort from our management and technical personnel and places additional requirements on our financial resources and internal financial controls. We may not have the ability to attract and/or retain the necessary number of personnel with the skills required to bring complicated projects to successful conclusions.

We do not own all of the land on which our pipelines and other midstream facilities are located, which could disrupt our operations.

We do not own all of the land on which our pipelines and other midstream facilities are located, and we are therefore subject to the possibility of more onerous terms and/or increased costs to retain necessary land use if we do not have valid rights-of-way or leases or if such rights-of-way or leases lapse or terminate. We sometimes obtain the rights to land owned by third parties and governmental agencies for a specific period of time. Our loss of these rights, through our inability to renew right-of-way contracts, leases, or otherwise, could cause us to cease operations on the affected land, increase costs related to continuing operations elsewhere, and reduce our revenue.

Risks Related to Our Business Generally

Substantially all of our oil and gas and midstream properties are concentrated in Texas and Northeast Pennsylvania, making us vulnerable to risks associated with operating in only two geographic areas.

Substantially all of our oil and gas and midstream properties are located in Texas and Northeast Pennsylvania. As a result of this geographic concentration, an adverse development in the natural gas, NGL and oil and/or midstream business in either or both of these operating areas could have a greater impact on our financial condition, results of operations and cash available to pay dividends on our common stock than if we were more geographically diversified. Due to the concentrated nature of our properties, we may be disproportionately exposed to the impact of regional supply and demand factors, delays or interruptions of production from wells in these areas caused by governmental regulation, processing or transportation capacity constraints, water shortages or other drought related conditions, availability of equipment, facilities, personnel or services market limitations or interruption of the processing or transportation of natural gas, NGLs and oil.

In addition, the weather in these areas can be extreme and can cause interruption in our operations. Severe weather can result in damage to our facilities entailing longer operational interruptions and significant capital expenditures. For instance, during 2021, Winter Storm Uri in Texas resulted in over 1.5 Bcfe of curtailed production and significant freezing and associated downtime across our facilities and equipment.

The effect of fluctuations on supply and demand may become more pronounced within specific geographic natural gas, NGL and oil producing areas, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. A number of our properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of properties. Such delays or interruptions could have a material adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

A financial crisis or deterioration in general economic, business or industry conditions could materially adversely affect our results of operations, financial condition and ability to pay dividends on our common stock.

Concerns over global economic conditions, stock market volatility, energy costs, geopolitical issues, inflation and U.S. Federal Reserve interest rate increases in response, the availability and cost of credit, and slowing of economic growth in the United States and fears of a recession have contributed and may continue to contribute to economic uncertainty and diminished expectations for the global economy.

Although inflation in the United States had been relatively low for many years, there was a significant increase in inflation beginning in the second half of 2021, which has continued into 2022, due to a substantial increase in the money supply, a stimulation focused fiscal policy, a significant rebound in consumer demand as COVID-19 restrictions were relaxed, the Russia-Ukraine war and worldwide supply chain disruptions resulting from the economic contraction caused by COVID-19 and lockdowns followed by a rapid recovery. Inflation rose from 5.4% in June 2021 to 7.0% in December 2021 to 8.2% in September 2022. We have experienced and expect for the foreseeable future to experience supply chain constraints and inflationary pressure on our cost structure. For example, since the end of the third quarter of 2021, our natural gas production business line has experienced 13% in inflationary cost increases. Our 2022 new drill

and completion program, in that same period, has experienced 22% overall inflationary cost increases. In addition, during such period, significant cost increases have occurred in services, labor, fuel, proppant and steel tubulars, with tubular cost increases exceeding 75%. These supply chain constraints and inflationary pressures will likely continue to adversely impact our operating costs and if we are unable to manage our supply chain, our ability to procure materials and equipment in a timely and cost-effective manner, if at all, may be negatively impacted, which could materially adversely impact our results of operations, financial condition and ability to pay dividends on our common stock.

In addition, continued hostilities between Russia and the Ukraine and the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the economies of the United States and other countries. The ongoing conflict in Ukraine could continue to have repercussions globally and in the United States by continuing to cause uncertainty, not only in the natural gas, NGL and oil markets, but also in the capital markets. Such uncertainty could result in stock price volatility and supply chain disruptions, as well as higher natural gas, NGL and oil prices which could potentially result in increased inflation worldwide and could negatively impact demand for natural gas, NGLs, oil and electricity.

Concerns about global economic growth can result in a significant adverse impact on global financial markets and commodity prices. In addition, any financial crisis may cause us to face limitations on our ability to borrow under our debt agreements, service our debt obligations, access the debt and equity capital markets and complete asset purchases or sales and may cause increased counterparty credit risk on our derivative instruments and such counterparties to cause us to post collateral guaranteeing performance.

Further, if there is a financial crisis or the economic climate in the United States or abroad deteriorates, worldwide demand for hydrocarbon-based products could materially decrease, which could impact the price at which natural gas and NGLs from our properties are sold, affect the ability of vendors, suppliers and customers associated with our properties to continue operations and ultimately materially adversely impact our results of operations, financial condition and ability to pay dividends on our common stock. If a material adverse change occurs in our business such that an event of default occurs under our debt agreements, the lenders under such agreements may be able to accelerate the maturity of our debt.

Events outside of our control, including an epidemic or outbreak of an infectious disease, such as COVID-19, or the threat thereof, could have a material adverse effect on our business, liquidity, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

We face risks related to pandemics, epidemics, outbreaks or other public health events, or the threat thereof, that are outside of our control, and could significantly disrupt our business and operational plans and adversely affect our liquidity, financial condition, results of operations, cash flows and ability to pay dividends on our common stock. The COVID-19 pandemic has adversely affected the global economy and has resulted in unprecedented governmental actions in the United States and countries around the world, including, among other things, social distancing guidelines, travel restrictions and stay-at-home orders, among other actions, which caused a significant decrease in activity in the global economy and the demand for oil, and to a lesser extent, natural gas and NGLs.

The nature, scale and scope of the above-described events, combined with the uncertain duration and extent of governmental actions, prevent us from identifying all potential risks to our business. Additionally, the effects of the COVID-19 pandemic might worsen the likelihood or the impact of other risks already inherent in our business. We believe that the known and potential impacts of the COVID-19 pandemic and related events include, but are not limited to, the following:

- disruption in the demand for natural gas, NGLs and oil and other petroleum products;
- intentional project delays until commodity prices stabilize;
- a potential future downgrade of our credit rating and potentially higher borrowing costs in the future;
- a need to preserve liquidity, which could result in reductions, delays or changes in our capital expenditures;

- supply chain disruptions, resulting in shortages of, and increased pricing pressures on, among other things, equipment, services and labor;
- liabilities resulting from operational delays due to decreased productivity resulting from stay-at-home orders affecting our workforce or facility closures resulting from the COVID-19 pandemic;
- future asset impairments, including impairment of our natural gas and NGL properties and other property and equipment; and
- infections and quarantining of our employees and the personnel of vendors, suppliers and other third parties.

New variants of COVID-19 could cause further commodity market volatility and resulting financial market instability, or any other event described above, and these are variables beyond our control that may adversely impact our operating cash flows, distributions from unconsolidated affiliates, our ability to pay dividends on our common stock and our ability to access the capital markets.

The success of our business plan depends, in part, on achieving our near term and long term net zero goals on our anticipated time frame.

The development of our CCUS business, as well as the expansion of our "Pad of the Future" program and the effectiveness of our leak detection and repair emissions monitoring program, are critical to our ability to achieve our emissions goal of the full elimination and/or offset of the Scope 1 and 2 emissions in our owned and operated upstream businesses by the end of 2025 and aspirations to offset Scope 3 emissions from our owned and operated upstream businesses by the early 2030s. We may not meet our near term or long term goals by our target date or at all. Likewise our estimated reduction and offsets expected from these initiatives may turn out to be inaccurate. Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. Our ability to establish large scale CCUS projects is subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all. We may not be successful in developing any of our currently identified potential CCUS projects or others, our actual costs with respect to any CCUS projects may exceed our current estimate and we may not be able to realize the anticipated reductions and offsets in emissions. There can be no assurances that we will be able to execute on our CCUS strategy and successfully develop the Barnett Zero Project with EnLink in the Barnett, the Cotton Cove Project or any future CCUS projects, and any failure to do so in whole or in any significant measure could have a material adverse effect on our ability to meet our Scope 1, 2 and 3 owned and operated upstream emissions goals. Even if we are able to successfully develop such projects, the underlying agreements may not apportion us the right to claim all emissions offsets, which may impact our net zero strategy. See "— *Risks Related to Our CCUS Business*."

Our revolving credit facilities are uncommitted and as a result the lenders under the facilities have no obligation to honor any request for a loan or the issuance of a letter of credit.

We maintain two revolving credit facilities for purposes of funding certain of our working capital needs: a $55.0 million uncommitted credit facility with Oversea-Chinese Banking Corporation Limited, which includes a $25.0 million sublimit for the issuance of standby letters of credit and a $25.0 million uncommitted credit facility with Standard Chartered Bank. We use these revolving credit facilities for letters of credit and working capital purposes. However, as uncommitted facilities, the lenders under these facilities are not obligated to honor any request for a loan or the issuance of a letter of credit. Further, our borrowings under these revolving credit facilities are repayable upon demand by the applicable lender and the

interest rates and fees under these revolving credit facilities can be changed by the applicable lender in its discretion. The refusal of either or both of the lenders under these revolving credit facilities to provide additional borrowings, or the demand by either of these lenders to demand repayment in full of any borrowings under either of these facilities, could materially and adversely affect our liquidity, capital resources or result of operations. Further any such occurrences could cause us to materially delay or abandon one or more capital projects or to fund dividends. Finally, we may not be able to timely replace these sources of liquidity at equivalent cost to us or at all.

We may not be able to generate enough cash flow to meet our debt obligations or fund our other liquidity needs.

As of November 17, 2022, we had total outstanding debt of $745.0 million, which consisted of (i) $75.0 million in aggregate principal amount under the Subordinated Intercompany Loan Agreements (as defined herein) with BNAC, a wholly owned subsidiary of our parent, Banpu, which are subordinated to our obligations under the Term Loan Credit Agreement, (ii) $570.0 million in aggregate principal amount under the Term Loan Credit Agreement, (iii) $45.0 million in aggregate principal amount under our OCBC Credit Facility, (iv) $10.0 million in aggregate principal amount under our SCB Credit Facility (as defined herein) and (v) $45.0 million in aggregate principal amount under our Revolving Credit Agreement. The Term Loan Credit Agreement, which we entered into in connection with closing of the Exxon Barnett Acquisition on June 30, 2022, allows us to borrow up to $600.0 million in the aggregate in the form of multiple loans during the period commencing with the effective date and ending on the date that is six months thereafter solely to finance the Exxon Barnett Acquisition, provides that amounts repaid may not be reborrowed, and requires annual amortization payments equal to 20% of the original balance. On June 30, 2022, we borrowed $570.0 million of term loans under the Term Loan Credit Agreement. In addition to interest expense and principal on our long-term debt, we have demands on our cash resources including, among others, operating expenses and capital expenditures.

In addition to the Term Loan Credit Agreement, we are party to the Revolving Credit Facilities (as defined herein), which include a $55.0 million uncommitted OCBC Credit Facility and a $25.0 million uncommitted SCB Credit Facility and the Revolving Credit Agreement. We use the Revolving Credit Facilities for letters of credit and working capital purposes and borrowings under the Revolving Credit Agreement for working capital purposes.

Our ability to pay the principal and interest on our long-term debt and to satisfy our other liabilities will depend upon future performance and our ability to repay or refinance our debt as it becomes due. Our future operating performance and ability to refinance will be affected by economic and capital market conditions, results of operations and other factors, many of which are beyond our control. Our ability to meet our debt service obligations also may be impacted by changes in prevailing interest rates, as borrowings under the Subordinated Intercompany Loan Agreements, the Term Loan Credit Agreement, the Revolving Credit Facilities and the Revolving Credit Agreement bear interest at floating rates.

We may not generate sufficient cash flow from operations. Without sufficient cash flow, there may not be adequate future sources of capital to enable us to service our indebtedness or to fund our other liquidity needs. If we are unable to service our indebtedness and fund our operating costs, we will be required to adopt alternative strategies that may include:

- reducing or delaying capital expenditures;
- seeking additional debt financing or equity capital;
- selling assets; or
- restructuring or refinancing debt.

We may not be able to complete such alternative strategies on satisfactory terms, if at all. Our inability to generate sufficient cash flows to satisfy our debt obligations and fund our liquidity needs, or to refinance our indebtedness on commercially reasonable terms, would materially and adversely affect our financial condition and results of operations and may limit our ability to pay dividends on our common stock.

We may be unable to achieve or maintain a low target level of indebtedness.

If we refinance all of our existing debt, or we receive the requisite consents from our existing lenders, we may incur significant additional indebtedness in the future in order to make acquisitions or to develop our properties or for other general corporate purposes.

Our level of indebtedness could affect our operations in several ways, including the following:

- a significant portion of our cash flows could be used to service our indebtedness;
- a high level of debt would increase our vulnerability to general adverse economic and industry conditions;
- the covenants contained in the agreements governing our outstanding indebtedness limit our ability to borrow additional funds, dispose of assets, pay dividends on our common stock, and make certain investments;
- a high level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore, may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- our debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry; and
- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate, or other purposes.

An increase in our level of indebtedness may further reduce our financial flexibility. Further, a high level of indebtedness increases the risk that we may default on our debt obligations. Our ability to meet our debt obligations and to reduce our level of indebtedness depends on our future performance. General economic conditions, commodity prices, and financial, business, and other factors affect our operations and our future performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our debt and future working capital, borrowings, or equity financing may not be available to pay or refinance such debt. Factors that will affect our ability to raise cash through an offering of our capital stock or a refinancing of our debt include financial market conditions (including any financial crisis), the value of our assets, and our performance at the time we need capital.

The agreements governing our indebtedness contain restrictive covenants that may limit our ability to respond to changes in market conditions, pursue business opportunities or pay dividends to our stockholders.

The agreements governing our indebtedness contain restrictive covenants that limit our ability to, among other things:

- incur additional debt;
- incur additional liens;
- sell, transfer or dispose of assets;
- merge or consolidate, wind-up, dissolve or liquidate;
- pay dividends and distributions on, or repurchases of, equity;
- make acquisitions and investments, other than direct investments in natural gas, NGL and oil properties and other assets in permitted lines of business;
- enter into certain transactions with our affiliates;
- enter into sale-leaseback transactions;
- make optional or voluntary payment of subordinated debt;
- change the nature of our business;
- change our fiscal year to make changes to the accounting treatment or reporting practices;

- amend constituent documents; and
- enter into certain hedging transactions.

The Term Loan Credit Agreement and the Revolving Credit Agreement contain, and any future debt agreement may contain, covenants that prohibit us from paying dividends on our common stock under certain circumstances. For additional information regarding the restrictions contained in the Term Loan Credit Agreement and the Revolving Credit Agreement on our ability to pay dividends to our stockholders, see "— *Risks Related to the Offering and Our Common Stock — The agreements governing our indebtedness impose restrictions on dividend payments*."

In addition, the Term Loan Credit Agreement, the Revolving Credit Agreement and certain of our other debt agreements require us to maintain financial ratios and tests. Also, the administrative agent under the Term Loan Credit Agreement has approval rights over our annual budget and our quarterly cash forecasts for the succeeding 12-month period. In addition to customary events of default, the Term Loan Credit Agreement and the Revolving Credit Agreement include an event of default if there is a material adverse change in our business.

The requirement that we comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, withstand a continuing or future downturn in our business or pay dividends to our stockholders.

If we are unable to comply with the restrictions and covenants in our debt agreements, there could be an event of default under the terms of such agreements, which could result in an acceleration of repayment.

If we are unable to comply with the restrictions and covenants in the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities, the Revolving Credit Agreement or any future debt agreement or if we default under the terms of the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities, the Revolving Credit Agreement or any future debt agreement, there could be an event of default. Our ability to comply with these restrictions and covenants, including meeting any financial ratios and tests, may be affected by events beyond our control. Further, if, after this initial public offering, Banpu and its wholly owned subsidiaries at any time cease to own at least 51% of our equity interests, or if any such holder allows any lien to exist on our equity interests that they own, such event will be an event of default under the Term Loan Credit Agreement and the Revolving Credit Agreement, which may result in amounts owed by us thereunder to become immediately due and payable. Banpu has no obligation to maintain any particular percentage of equity ownership in the Company (other than the 180-day lock-up agreement and other restrictions described in "*Shares Eligible for Future Sale*") may at any time sell all or any portion of its equity interests in us. As a result, we cannot assure that we will be able to comply with these restrictions and covenants or meet such financial ratios and tests. In the event of a default under the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities, the Revolving Credit Agreement or any future debt agreement, the lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. If any of these events occur, our assets might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. Additionally, we may not be able to amend the Term Loan Credit Agreement, Revolving Credit Facilities, the Revolving Credit Agreement or any future debt agreement or obtain needed waivers on satisfactory terms.

Our borrowings under the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities and Revolving Credit Agreement expose us to interest rate risk.

Our results of operations are exposed to interest rate risk associated with borrowings under the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities and Revolving Credit Agreement, which bear interest at rates based on the Secured Overnight Financing Rate ("SOFR") or an alternative floating interest rate benchmark. In response to inflation, the U.S. Federal Reserve has increased interest rates four times in 2022 and signaled that additional interest rate increases should be expected in 2022. On July 28, 2022, it raised interest rates by 0.75%, representing the fourth increase

in interest rates during 2022 to date. Raising or lowering of interest rates by the U.S. Federal Reserve generally causes an increase or decrease, respectively, in SOFR and other floating interest rate benchmarks. As such, if interest rates increase, so will our interest costs. If interest rates continue to increase, it may have a material adverse effect on our results of operations, financial condition and ability to pay dividends on our common stock.

Our hedging activities do not provide downside protection for all of our production and could result in financial losses or could reduce our net income. Further, our derivative contracts contain certain restrictions and covenants.

From time to time, we enter into derivatives contracts in connection with our natural gas and NGLs, including, for instance, swaps, producer collars and enhanced three-way collars. These derivative arrangements are subject to mark-to-market accounting treatment, and the changes in fair market value of our derivative contracts are reported in our statement of operations and comprehensive loss each quarter, which may result in significant non-cash gains or losses. Accordingly, our earnings may fluctuate significantly as a result of changes in fair value of our derivative instruments.

These derivative arrangements are designed to reduce our exposure to commodity price decreases. Therefore, to the extent our production is not hedged, we are exposed to declines in commodity prices. In addition, our derivative arrangements may be inadequate to protect us from continuing and prolonged declines in commodity prices. Further, while designed to reduce our exposure to commodity price decreases, these derivatives arrangements may also limit the potential gains we might otherwise receive from increases in commodity prices if such prices rise over the price established by our derivative contracts. For example, for the nine months ended September 30, 2022 and 2021, we incurred a realized loss on derivatives of approximately $561.6 million, $101.3 million of which related to early termination of hedges, and $123.6 million, respectively. We incurred a realized loss on derivatives of approximately $268.7 million for the year ended December 31, 2021 and a realized gain on derivatives of approximately $10.4 million for the year ended December 31, 2020. For the nine months ended September 30, 2022 and 2021, we incurred an unrealized loss on derivatives of approximately $158.7 million and $377.0 million, respectively. For the years ended December 31, 2021 and 2020, we had an unrealized loss on derivatives of approximately $115.2 million and an unrealized gain on derivatives of approximately $10.3 million, respectively. In trying to manage our exposure to commodity price risk, we may end up with too many or too few derivative contracts, depending upon where commodity prices settle relative to our derivative price thresholds and how our natural gas and NGL volumes fluctuate relative to our expectations when the derivatives were established.

As of September 30, 2022, we have hedged approximately 459,000 MMBtu/d and 304,000 MMBtu/d of our natural gas production for the remainder of 2022 and 2023, respectively. We have hedged approximately 15,000 Bbl/d and 5,300 Bbl/d of NGL production for the remainder of 2022 and 2023, respectively. Our results of operations, liquidity and financial condition would be negatively impacted if prices of natural gas and NGLs were to become depressed or decline materially from current levels, or there is otherwise an unexpected material impact on commodity prices, and we have experienced variances in our results of operations and financial condition due to our hedging transactions.

Our hedging activities do not provide downside protection for all of our production. In addition, our ability to use hedging transactions to protect us from future commodity price declines will be dependent upon commodity prices at the time we enter into future hedging transactions and our future levels of hedging and, as a result, our future net cash flows may be more sensitive to commodity price changes. Further, if commodity prices decline materially, we will not be able to replace our hedges or enter into new hedges at favorable prices.

Further, our derivative contracts contain certain restrictions and covenants customary for such types of instruments. For example, an ISDA Master Agreement for certain of our derivative contracts (the “Master Agreement”) previously contained a covenant that restricted us from creating, issuing, incurring or assuming additional indebtedness in excess of $75.0 million. In June 2022, in connection with the completion of the Exxon Barnett Acquisition, we borrowed $570.0 million of term loans under the Term Loan Credit Agreement. In connection with exceeding the $75.0 million indebtedness threshold, on August 4, 2022, we executed an amendment to the Master Agreement pursuant to which we are required to novate or terminate, at our election, at least $100.0 million in derivative contracts by October 4, 2022. As of September 9, 2022,

we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. If we fail to satisfy our obligations under the amendment, the debt incurrence covenant in the Master Agreement would apply. This amendment also includes a cross-default provision pursuant to which a default by us of the covenants under our Term Loan Credit Agreement would cause a default under the Master Agreement. See "*Note 13 — Credit and Other Risk*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding the Master Agreement.

Subject to restrictions in the Term Loan Credit Agreement and the Revolving Credit Agreement, our hedging strategy and future hedging transactions will be determined at our discretion and may be different than what we have done on a historical basis. In the future, we may enter into additional derivative arrangements or reduce our derivative arrangements. The prices at which we hedge our production in the future will be dependent upon commodities prices at the time we enter into these transactions, which may be substantially higher or lower than current prices. Accordingly, our price hedging strategy may not protect us from significant declines in prices received for our future production. Conversely, our hedging strategy may limit our ability to realize cash flows from future commodity price increases. It is also possible that a substantially larger percentage of our future production will not be hedged as compared with the next few years, which would result in our natural gas and NGL revenues becoming more sensitive to commodity price fluctuations.

Our hedging transactions could expose us to counterparty credit risk.

Our hedging transactions expose us to risk of financial loss if a counterparty fails to perform under a derivative contract. The risk of counterparty nonperformance is of particular concern in the event of disruptions in the financial markets or the significant decline in commodity prices, which could lead to sudden changes in a counterparty's liquidity and impair their ability to perform under the terms of the derivative contract. We are unable to predict sudden changes in a counterparty's creditworthiness or ability to perform. Even if we do accurately predict sudden changes, our ability to negate the risk may be limited depending upon market conditions. Furthermore, the bankruptcy of one or more of our hedge providers or some other similar proceeding or liquidity constraint might make it unlikely that we would be able to collect all or a significant portion of amounts owed to us by the distressed entity or entities.

During periods of falling commodity prices, our hedge receivable positions increase, which increases our exposure. If the creditworthiness of our counterparties deteriorates and results in their nonperformance, we could incur a significant loss.

We may experience difficulty in achieving and managing future growth.

Future growth may place strains on our resources and cause us to rely more on project partners and independent contractors, possibly negatively affecting our financial condition, results of operations, cash flows and ability to pay dividends on our common stock. Our ability to grow will depend on a number of factors, including:

- our ability to acquire additional assets and to successfully integrate acquisitions we may make;
- the results of our drilling program;
- commodity prices;
- our ability to develop existing prospects;
- our ability to obtain leases or options on properties for which we have seismic data;
- our ability to acquire additional seismic data;
- our ability to identify and acquire new exploratory prospects;
- our ability to continue to retain and attract skilled personnel;

- our ability to maintain or enter into new relationships with project partners and independent contractors; and
- our access to capital.

We are a holding company with no operations of our own, and we depend on our subsidiaries and our joint venture for cash to fund all of our operations, taxes and other expenses and any dividends that we may pay.

Our operations are conducted entirely through our subsidiaries and the BKV-BPP Power Joint Venture. Our ability to generate cash to meet our debt and other obligations, to cover all applicable taxes payable and to declare and pay any dividends on our common stock is dependent on the earnings and the receipt of funds through distributions from our subsidiaries and the BKV-BPP Power Joint Venture. Our subsidiaries' and the BKV-BPP Power's ability to generate adequate cash depends on a number of factors, including development of reserves, successful acquisitions of complementary properties, advantageous drilling conditions, natural gas, NGL and oil prices, successful production and sales of electricity, compliance with all applicable laws and regulations and other factors.

Our business is subject to operating hazards that could result in substantial losses or liabilities for which we may not have adequate insurance coverage.

Natural gas and NGLs operations are subject to many risks, including well blowouts, craterings, explosions, uncontrollable flows of natural gas, NGLs or well fluids, fires, pipe, casing or cement failures, abnormal pressure, pipeline leaks, ruptures or spills, vandalism, pollution, releases of toxic gases, adverse weather conditions or natural disasters and other environmental hazards and risks. If any of these hazards occur, we could sustain substantial losses as a result of:

- injury or loss of life;
- severe damage to or destruction of property, natural resources and equipment;
- pollution or other environmental damage;
- investigatory, monitoring, and cleanup responsibilities;
- regulatory investigations and penalties or lawsuits;
- loss of, or delay in revenue;
- suspension or impairment of operations; and
- repairs to resume operations.

We maintain insurance against some, but not all, potential losses or liabilities arising from our operations in accordance with what we believe are customary industry practices and in amounts and at costs that we believe to be prudent and commercially practicable. Our insurance includes deductibles that must be met prior to recovery, as well as sub-limits and/or self-insurance. Additionally, our insurance is subject to exclusions and limitations. Our insurance does not cover every potential risk associated with our operations, including the potential loss of significant revenues. We can provide no assurance that our coverage will adequately protect us against liability from all potential consequences, damages and losses.

We currently have insurance policies covering our operations that include coverage for general liability, property damage to certain of our real and personal property, and certain personal property of others, excess liability, physical damage to our upstream and midstream properties, operational control of wells, redrilling expenses, pollution and cleanup, site pollution incidents, damage to lease property, business and contingent business interruption, management liability, automobile liability, third-party liability, workers' compensation, employer's liability, kidnap and ransom and other coverages. Our insurance policies provide coverage for losses or liabilities relating to pollution, but are largely limited to coverage for sudden and accidental occurrences. For example, the site pollution incident policy we maintain includes coverage for obligations, expenses or claims that we may incur from a sudden incident that results in negative environmental effects, including obligations, expenses or claims related to seepage and pollution, cleanup and containment, evacuation expenses and control of the well (subject to policy terms and conditions). In the specific event of

a well blowout or out-of-control well resulting in negative environmental effects, such operator's extra expense coverage would be our primary source of coverage, with the general liability and excess liability coverage referenced above also providing certain coverage.

We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. Some forms of insurance may become unavailable in the future or unavailable on terms that we believe are economically acceptable. No assurance can be given that we will be able to maintain insurance in the future at rates that we consider reasonable, and we may elect to maintain minimal or no insurance coverage. If we incur substantial liability from a significant event and the damages are not covered by insurance or are in excess of policy limits, then we would have lower revenues and funds available to us for our operations, that could, in turn, have a material adverse effect on our business, financial condition, results of operations and ability to pay dividends on our common stock.

Additionally, we rely to a large extent on transportation owned and operated by third parties and damage to, or destruction of, those third-party facilities could affect our ability to process, transport and sell our production. To a limited extent, we maintain business interruption insurance related to our processing plants where we are insured for potential losses from the interruption of production caused by loss of or damage to the processing plant.

We may be unable to make accretive acquisitions or successfully integrate acquired businesses or assets, and any inability to do so may disrupt our business and hinder our ability to grow.

There is intense competition for acquisition opportunities in our industry and we may not be able to identify attractive acquisition opportunities. Even if we do identify attractive acquisition opportunities, we may not be able to complete the acquisition or do so on commercially acceptable terms. We may not be able to obtain contractual indemnities from sellers for liabilities incurred prior to our purchase of the business, asset or property. No assurance can be given that we will be able to identify additional suitable acquisition or asset exchange opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms or successfully acquire identified targets. In addition, there can be no assurance that Banpu will not engage in competition with us in the future. See "*Risk Factors — Risks Related to Our Relationship with Banpu and its Affiliates — Banpu's interests, including interests in certain corporate opportunities, may conflict with our interests and the interests of our other stockholders. Conflicts of interest between us and Banpu could be resolved in a manner unfavorable to us and our other stockholders*." Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions.

We may make acquisitions of properties or businesses that complement or expand our current business in the future. The successful acquisition of natural gas and NGL properties requires an assessment of several factors, including:

- recoverable reserves;
- future commodity prices;
- operating costs; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain and rely on numerous assumptions and we may not be able to identify accretive acquisition opportunities. In connection with these assessments, we perform a review of the subject properties that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems, nor will it permit us to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. Reviews may not always be performed on every well, and environmental problems, such as groundwater contamination, are not necessarily observable even when a review is performed. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. Market forces often prevent us from negotiating contractual indemnification for environmental liabilities and require us to acquire properties on an "as is" basis.

The success of any of our acquisitions, including the Exxon Barnett Acquisition, will depend on our ability to integrate effectively the acquired business into our existing operations. The process of integrating

acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources which may divert management's attention from other business concerns. In addition, possible future acquisitions may be larger and for purchase prices significantly higher than those paid for earlier acquisitions. Our failure to achieve consolidation savings, to integrate the acquired businesses and assets into our existing operations successfully, or to minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

In addition, the Subordinated Intercompany Loan Agreements, Term Loan Credit Agreement, Revolving Credit Facilities and the Revolving Credit Agreement will limit our ability to enter into mergers or combination transactions. These debt arrangements also limit our ability to incur indebtedness and liens, which could indirectly limit our ability to engage in acquisitions.

Our business requires substantial capital expenditures. We may be unable to obtain required capital or financing on satisfactory terms or be able to fund our working capital needs from cash flow from operations, which could lead to a decline in our reserves.

The energy industry is capital intensive. We have made and expect to continue to make substantial capital expenditures in our businesses for the acquisition, exploration, production and development of natural gas and NGL reserves, as well as the gathering, processing and transportation of natural gas and NGLs and the development of our CCUS business. Our capital expenditures in 2021 totaled $63.9 million, primarily relating to completion of drilled but uncompleted wells prior to January 1, 2021, projects to increase reserve recovery and investment in non-operated wells.

The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of, among other things, commodity prices, actual drilling results, the availability of drilling rigs and other services and equipment, the availability of CO_2 transportation pipelines in proposed CCUS project areas, and legal, regulatory, environmental, technological and competitive developments. A sustained decline in commodity prices may result in a decrease in our actual capital expenditures, which would negatively impact our ability to grow production. Although we intend to finance our future capital expenditures primarily through cash flow from operations and through available capacity under the Revolving Credit Facilities and the Revolving Credit Agreement, our future needs may require us to alter or increase our capitalization substantially through the increase in the size of our working capital facilities, issuance of additional debt or equity securities or the sale of assets.

Our cash flow from operations and access to capital are subject to a number of variables, including:

- the estimated quantities of our natural gas and NGL reserves;
- the amount of hydrocarbon we produce from existing wells;
- the prices at which we sell our production;
- the levels of our operating expenses;
- take-away and storage capacity;
- our ability to acquire, locate, develop and produce new reserves; and
- our ability to borrow under the Revolving Credit Facilities, the Revolving Credit Agreement and any additional working capital facilities that we obtain.

If our revenues decrease as a result of lower commodity prices, operating difficulties, declines in reserves or for any other reason, we may have limited ability to obtain the capital necessary to sustain our planned capital budget or operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms acceptable to us, if at all. If cash flow generated by our operations or available capacity under the Revolving Credit Facilities are not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our properties, which in turn could lead to a decline in our reserves and production, and could adversely affect our business, financial condition, results of operations and ability to pay dividends on our common stock.

We may be unable to dispose of nonstrategic assets on attractive terms and may be required to retain liabilities for certain matters.

We regularly review our asset base to assess the market value versus holding value of existing assets with a view to optimizing deployed capital. Our ability to dispose of nonstrategic assets or complete dispositions, such as acreage that we do not intend to place on our production schedule prior to lease expirations, could be affected by various factors, including the availability of buyers willing to purchase the nonstrategic assets at prices acceptable to us. Sellers typically retain certain liabilities or agree to indemnify buyers for certain matters. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction and ultimately may be material. Also, as is typical in divestiture transactions, third parties may be unwilling to release us from guarantees or other credit support provided prior to the sale of the divested assets.

As a result, after a sale, we may remain secondarily liable for the obligations guaranteed or supported to the extent that the buyer of the assets fails to perform these obligations.

We may be unable to compete effectively with larger companies, which may adversely affect our ability to generate sufficient revenues.

The energy industry is intensely competitive, and we compete with other companies that have greater resources than we do. Our ability to acquire additional properties, to discover reserves in the future and to execute on potential CCUS projects will be dependent upon our ability to evaluate and select suitable properties to consummate transactions in a highly competitive market. Many of our larger competitors not only drill for and produce natural gas, NGLs and oil, but they also engage in refining operations and market petroleum and other products on a regional, national or worldwide basis. Our competitors may be able to pay more for natural gas and NGL properties, evaluate, bid for and purchase a greater number of properties than our financial or human resources permit and attract capital at lower rates. In addition, these companies may have a greater ability to continue drilling, production and workover activities during periods of low natural gas and NGL prices, to contract for drilling, production and workover equipment, to pay more for and secure trained personnel, and to absorb the burden of present and future federal, state, local and other laws and regulations. The natural gas, NGL and oil industry has periodically experienced shortages of drilling rigs, equipment, hydraulic fracturing fleets, supply chain resources, pipelines and personnel, which has delayed development drilling and other exploitation activities and has caused significant price increases. Competition has been strong in hiring experienced personnel, particularly in the engineering and technical, accounting and financial reporting, tax and land departments. In addition, competition is strong for attractive natural gas, NGL and oil producing properties, natural gas, NGL and oil companies, undeveloped leases and drilling rights, and CCUS projects. Further, the current inflation may affect us more than it may affect some of our larger competitors. Our inability to compete effectively with our competitors could have a material adverse impact on our business activities, financial condition and results of operations.

The energy industry is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, we may be placed at a competitive disadvantage or competitive pressures may force us to implement those new technologies at substantial costs. Further, competitors may obtain patents which might prevent us from implementing new technologies. In addition, other energy companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before we can. We may not be able to respond to these competitive pressures and implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies we use now or in the future were to become obsolete or if we are unable to use the most advanced commercially available technology, our business, financial condition and results of operations could be materially adversely affected.

The inability of one or more of our significant counterparties to meet their payment or performance obligations may adversely affect our financial results.

We are subject to certain credit risks associated with nonpayment or nonperformance by our counterparties, including joint interest partners and customers. Joint interest receivables arise from billing our joint interest partners who own a partial working interest in our natural gas and NGL wells. These entities

participate in our natural gas and NGL wells primarily based on their ownership in leases on which we operate, and we have limited ability to control their participation in our natural gas and NGL wells. Sales receivables arise from the sale of our natural gas and NGL production to our customers. We currently market, directly or indirectly, our natural gas and NGL production to energy marketing companies, refineries, gas processors, petrochemical companies, local distribution companies, power plants and other end users.

We maintain credit procedures and policies to mitigate the credit risks posed by our counterparties. However, our credit procedures and policies may not be adequate to fully eliminate the risk and we do not require all of our counterparties to post collateral. If we fail to adequately assess the creditworthiness of our existing or future significant counterparties, or their creditworthiness unexpectedly materially deteriorates, any resulting nonpayment or nonperformance by them could have a materially adverse effect on our financial condition, results of operations and ability to pay dividends on our common stock.

Our business could be negatively affected by security threats and disruptions, including electronic, cybersecurity or physical security threats and other disruptions.

Our businesses face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the security of our facilities and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. The potential for such security threats has subjected our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. Security breaches could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations, cash flows and ability to pay dividends on our common stock. Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. The risk of a cybersecurity attack may increase as a result of the increased volume of “remote” work due to workplace policy changes resulting from the spread of COVID-19. These events could damage our reputation and lead to financial losses from remedial actions, loss of business or potential liability.

We may face various risks associated with the long-term trend toward increased activism against natural gas, NGL and oil exploration and development activities.

Opposition toward natural gas, NGL and oil drilling and development activity has been growing globally. Companies in the natural gas, NGL and oil industry are often the target of activist efforts from both individuals and non-governmental organizations regarding safety, environmental compliance and business practices. Anti-development activists are working to, among other things, reduce access to federal and state government lands and delay or cancel certain projects such as the development of natural gas, NGL and oil shale plays. For example, environmental activists continue to advocate for increased regulations or bans on shale drilling and hydraulic fracturing in the United States, even in jurisdictions that are among the most stringent in their regulation of the industry. Future activist efforts could result in the following:

- delay or denial of drilling permits;
- shortening of lease terms and reduction in lease size;
- restrictions on installation or operation of production, gathering or processing facilities;
- restrictions on the use of certain operating practices, such as hydraulic fracturing, or disposal of related waste materials, such as hydraulic fracking fluids and production;
- increased severance and/or other taxes;
- cyber-attacks;
- legal challenges or lawsuits;

- negative publicity about our business or the natural gas, NGL and oil industry in general;
- increased costs of doing business;
- reduction in demand for our products; and
- other adverse effects on our ability to develop our properties and expand production.

We may need to incur significant costs associated with responding to these initiatives, and there is no guarantee that our responses will produce favorable outcomes or results. Complying with any resulting additional legal or regulatory requirements that are substantial could have a material adverse effect on our business, financial condition, cash flows, results of operations and ability to pay dividends on our common stock.

Prolonged negative investor sentiment toward upstream natural gas, NGL and oil focused companies could limit our access to capital funding, which would constrain liquidity.

Certain segments of the investor community have developed negative sentiment towards investing in our industry. Recent equity returns in the sector versus other sectors have led to lower natural gas, NGL and oil representation in certain key equity market indices. Some investors, including certain pension funds, university endowments and family foundations, have stated policies to reduce or eliminate their investments in the natural gas, NGL and oil sector based on social and environmental considerations. Certain other stakeholders have pressured commercial and investment banks to stop funding natural gas, NGL and oil projects. If this negative sentiment continues for a prolonged period of time, it may reduce the availability of capital funding for potential development projects, each of which could have a material adverse effect our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

We may be involved in legal proceedings that could result in substantial liabilities.

Like many energy companies, in the ordinary course of our business, we are from time to time involved in various disputes and disagreements that may lead to legal and other proceedings, such as title, royalty or contractual disputes, regulatory compliance matters and personal injury or property damage matters. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have an adverse impact on us because of legal costs, diversion of management and other personnel and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in our business practices, which could materially and adversely affect our business, prospects, financial condition, results of operations, cash flows and ability to pay dividends on our common stock. Accruals for such liability, penalties or sanctions may be insufficient, and judgments and estimates to determine accruals or range of losses related to legal and other proceedings could materially change from one period to the next.

Loss of our information and computer systems could adversely affect our business.

We are heavily dependent on our information systems and computer-based programs, including our well operations information, seismic data, electronic data processing and accounting data. If any of such programs or systems were to fail or create erroneous information in our hardware or software network infrastructure, possible consequences include our loss of communication links, inability to find, produce, process and sell natural gas and NGLs and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any such consequence could have a material adverse effect on our business.

We are highly dependent on our executive officers and technical personnel, the loss of any of whom could adversely affect our operations. Additionally, the continued success of our business depends on our ability to attract and retain experienced technical personnel.

We depend on the services of our senior management and technical personnel. There can be no assurance that we would be able to replace such members of management with comparable replacements or that such replacements would integrate well with our existing team. Further, the loss of the services of our

senior management could have a material adverse effect on our business, financial condition and results of operations. We do not maintain, nor do we plan to obtain, any “key-man” life insurance against the loss of any of these individuals. As a result, we are not insured against any losses resulting from the death of our key employees. The loss of the services of our senior management or technical personnel could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Our continued success will depend, in part, on our ability to attract and retain experienced technical personnel, including geologists, engineers and other professionals. Competition for these professionals is strong and will likely intensify as a significant portion of today’s engineers, geologists and other professionals working within the oil and natural gas industry will reach the age of retirement in the coming years. Acquiring and retaining these personnel could prove more difficult or cost substantially more than estimated.

For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including disclosure about our executive compensation, that apply to other public companies.

We are classified as an “emerging growth company” under the JOBS Act. In addition, we have reduced Sarbanes-Oxley Act compliance requirements, as discussed elsewhere, for as long as we are an emerging growth company, which may be up to five full fiscal years. Unlike other public companies, we will not be required to, among other things, (i) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor’s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (ii) provide certain disclosure regarding executive compensation required of larger public companies or (iii) hold nonbinding advisory votes on executive compensation.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an emerging growth company under the JOBS Act until December 31, 2022. While we continue to be an emerging growth company until the end of the 2022 fiscal year, we expect our revenues will exceed $1.235 billion during the year ending December 31, 2022 and we will no longer qualify as an emerging growth company as of December 31, 2022.

Risks Related to Environmental, Legal Compliance and Regulatory Matters

We are subject to complex federal, state, local and other laws and regulations that could adversely affect the cost, manner or feasibility of conducting our operations.

Our natural gas and NGL exploration and production operations are subject to complex and stringent laws and regulations. To conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. Failure or delay in obtaining regulatory approvals or drilling and related permits could have a material adverse effect on our ability to develop our properties, and receipt of drilling and related permits with onerous conditions could increase our compliance costs or decrease our opportunities to execute projects and develop acreage. In addition, regulations regarding conservation practices and the protection of correlative rights affect our operations by limiting the quantity of natural gas and NGLs we may produce and sell.

We are subject to federal, state and local laws and regulations as interpreted and enforced by governmental authorities possessing jurisdiction over various aspects of the exploration, production and transportation of natural gas and NGLs. The possibility exists that new laws, regulations or enforcement policies could be more stringent and significantly increase our compliance costs or cause us to cease operations. If we are not able to recover the resulting costs through insurance or increased revenues, our financial condition and ability to pay dividends on our common stock could be adversely affected.

Increased attention to ESG matters and environmental conservation measures may adversely impact our business.

Increasing attention to climate change, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary ESG initiatives and disclosures and consumer demand for alternative forms of energy may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), reduced demand for our products, reduced profits, increased investigations and litigation and negative impacts on our access to capital markets. Increasing attention to climate change, environmental justice and environmental conservation, for example, may result in demand shifts for natural gas, NGL and oil products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors.

Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Such disclosures may also be at least partially reliant on third-party information that we have not verified, or cannot verify, independently. In addition, we expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters, and increased regulation will likely lead to increased compliance costs as well as scrutiny that could heighten all of the risks identified in this risk factor. We may also take certain actions to improve the ESG profile of our company and/or products, but we cannot guarantee that such actions will have the desired effect.

In addition, we note that standards and expectations regarding carbon accounting and the processes for measuring and counting GHG emissions and GHG emission reductions are evolving, and it is possible that our approach to measuring both our emissions and our approaches to reducing emissions may be, either currently by some stakeholders or at some future point, considered inconsistent with common or best practices with respect to measuring and accounting for such matters, reducing overall emissions and/or achieving “net zero.” If our approaches to such matters fall out of step with common or best practice, we may be subject to additional scrutiny, criticism, regulatory and investor engagement or litigation, any of which may adversely impact our business, financial condition or results of operations.

Additionally, in March 2022, the SEC proposed a new rule relating to the disclosure of a range of climate-related data, risks and opportunities. We are currently assessing this rule, but we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent this rule is finalized as proposed, we or our customers could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with energy-related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our access to and costs of capital. Also, institutional lenders may decide not to provide funding for fossil fuel energy companies based on climate change and natural capital related concerns, which could affect our access to capital for potential growth projects. Moreover, to the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively to recruit or retain employees. Such ESG matters may also impact our suppliers or customers, which may adversely impact our business, financial condition, or results of operations.

Energy conservation measures and technological advances could reduce demand for natural gas, NGL and oil.

Energy conservation measures, alternative fuel requirements, governmental requirements for renewable energy resources, increasing consumer demand for alternatives to natural gas, NGL and oil, technological

advances in fuel economy and energy generation devices could reduce demand for natural gas, NGLs and oil. The impact of the changing demand for natural gas, NGL and oil services and products may have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Significant physical effects of climatic change have the potential to damage our facilities, disrupt our production activities and cause us to incur significant costs in preparing for or responding to those effects.

Climate change could have an effect on the severity of weather (including hurricanes, droughts and floods), sea levels, the arability of farmland, changes in temperature and other meteorological patterns, and water availability and quality. If such effects were to occur, our development and production operations have the potential to be adversely affected. Potential adverse effects could include damages to our facilities from powerful winds or rising waters in low lying areas, disruption of our production activities either because of climate related damages to our facilities or in our costs of operation potentially arising from such climatic effects, less efficient or non-routine operating practices necessitated by climate effects or increased costs for insurance coverage in the aftermath of such effects. Significant physical effects of climate change could also have an indirect effect on our financing and operations by disrupting the transportation or process-related services provided by midstream companies, service companies or suppliers with whom we have a business relationship. We may not be able to recover through insurance some or any of the damages, losses or costs that may result from potential physical effects of climate change. We have developed and started to implement a plan to address the potential impacts of climate change on our operations, but we cannot assure you that our operations will not be negatively impacted by climate change.

Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs and additional operating restrictions or delays in the completion of natural gas and NGL wells and adversely affect our production.

Hydraulic fracturing is used in many of our operations to stimulate production of hydrocarbons, particularly natural gas and NGLs. The process involves the injection of water, sand and additives under pressure into a targeted subsurface formation to fracture the surrounding rock and stimulate production. The U.S. Congress (“Congress”) from time to time has considered legislation to amend the federal Safe Drinking Water Act (“SDWA”) to remove the exemption currently available to hydraulic fracturing, which would place additional regulatory burdens upon hydraulic fracturing operations, including requirements to obtain a permit prior to commencing operations adhering to certain construction requirements, to establish financial assurance, and to require reporting and disclosure of the chemicals used in those operations. This legislation has not passed.

Hydraulic fracturing (other than that using diesel) is currently generally exempt from regulation under the SDWA’s UIC program and is typically regulated by state oil and natural gas commissions or similar agencies. However, several federal agencies have asserted regulatory authority or pursued investigations over certain aspects of the process.

For example, in June 2016, the EPA adopted effluent limitations for the treatment and discharge of wastewater resulting from onshore unconventional natural gas, NGL and oil extraction facilities to publicly owned treatment works and, in 2014, the EPA asserted regulatory authority pursuant to the UIC program over hydraulic fracturing activities involving the use of diesel and issued guidance covering such activities.

Also, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources, concluding that “water cycle” activities associated with hydraulic fracturing may impact drinking water resources “under some circumstances.” The final report identified the following risks: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits. To date, EPA has taken no further action in response to the December 2016 report.

In addition, some states have adopted, and other states are considering adopting, regulations that restrict or could restrict hydraulic fracturing in certain circumstances. Further, state and local governmental entities have exercised the regulatory powers to regulate, curtail or in some cases prohibit hydraulic fracturing. New laws or regulations that impose new obligations on, or significantly restrict hydraulic fracturing, could make it more difficult or costly for us to perform hydraulic fracturing activities and thereby affect our determination of whether a well is commercially viable and increase our cost of doing business. Such increased costs and any delays or curtailments in our production activities could have a material adverse effect on our business, prospects, financial condition, results of operations, liquidity and ability to pay dividends on our common stock.

Regulatory action may cause us to shut in or curtail production.

Our rate of production and access to transportation and storage options may also be affected by U.S. federal and state regulation of oil and natural gas production. In 2020, actions of foreign oil producers such as Saudi Arabia and Russia and the impact on global demand of the COVID-19 pandemic materially decreased global crude oil prices and generated a surplus of oil. As a result, regulatory action to curtail production has been contemplated in Texas. For example, the TRRC, which regulates the production of oil and natural gas in the State of Texas, held a hearing in April 2020 regarding potential production cuts for producers in Texas in light of the recent decline in oil prices globally. While the TRRC ultimately declined to institute mandatory production cuts, the agency may choose to revisit the issue. Global and domestic oil prices have recovered substantially to the point that TRRC curtailments are highly unlikely. However, if the TRRC decides to limit the production of crude oil in Texas in the future, our business and results of operations are not likely to be materially and adversely impacted given that our production comes from dry gas wells.

Any such production limitations will likely force us to shut in production. If we are forced to shut in production as a result of regulatory actions or otherwise, we will likely incur greater costs to bring the associated production back online. Cost increases necessary to bring the associated wells back online may be significant enough that such wells would become uneconomic at low commodity price levels, which may lead to decreases in our proved reserve estimates and potential impairments and associated charges to our earnings. If we are able to bring wells back online, there is no assurance that such wells will be as productive following recommencement as they were prior to being shut in. Any shut in or curtailment of the natural gas and NGLs produced from our fields could adversely affect our financial condition, results of operations, cash flows, ability to pay dividends on our common stock and ability to fulfill our obligations under our firm transportation service agreements.

Our operations are subject to a series of risks relating to climate change that could result in increased compliance or operating costs, limit the areas in which we may conduct natural gas and NGL exploration and production activities, and reduce demand for the natural gas and NGLs we produce.

Climate change continues to attract considerable public and scientific attention. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of carbon dioxide, methane and other GHGs. These efforts have included consideration of cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, the Inflation Reduction Act, recently passed by Congress, imposed several new climate-related requirements on oil and gas operations. Additionally, President Biden has highlighted addressing climate change as a priority of his administration and has issued several executive orders addressing climate change. In August 2022, the U.S. Congress passed, and President Biden signed into law, the Inflation Reduction Act of 2022, which appropriates significant federal funding for renewable energy initiatives and, for the first time ever, imposes a fee on GHG emissions from certain facilities. The emissions fee and funding provisions of the law could increase our operating costs and accelerate the transition away from fossil fuels, which could in turn adversely affect our business and results of operations.

Moreover, following the U.S. Supreme Court finding in 2007 that GHG emissions constitute a pollutant under the CAA, the EPA adopted regulations that, among other things, establish construction

and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the DOT, imposing GHG emissions and fuel economy standards for vehicles in the United States. The regulation of methane from oil and gas facilities has been subject to uncertainty in recent years. The EPA previously had promulgated New Source Performance Standards ("NSPS") imposing limitations on methane emissions from sources in the oil and gas sector. Subsequently, in September 2020, the Trump Administration rescinded those methane standards and removed the transmission and storage segments from the oil and gas source category under the CAA's NSPS. However, on June 30, 2021, President Biden signed a resolution passed by Congress under the Congressional Review Act nullifying the September 2020 rule, effectively reinstating the prior standards. In addition, on November 15, 2021, the EPA proposed rules that would establish requirements for methane emissions from existing and modified oil and gas sources and impose additional requirements for new sources with respect to methane emissions ("2021 Proposed Methane Rules"). On November 11, 2022, the EPA issued a supplemental proposal to update, strengthen and expand the 2021 Proposed Methane Rules that would make the proposed requirements more stringent and include sources not previously regulated under the oil and gas source category. The EPA has announced that it plans to finalize these rulemakings in 2023. The reinstatement of direct regulation of methane emission for new sources, promulgation of requirements for existing oil and gas sources and enhanced requirements for new sources, and the expansion of sources covered by the EPA's rules, could result in increased compliance costs or otherwise impact our results of operations.

Various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. For example, several states, including Pennsylvania and New Mexico, have proposed or adopted regulations restricting the emission of methane from exploration and production activities. At the international level, President Biden has recommitted the United States to the Paris Agreement and, in April 2021, announced a goal of reducing the United States' economy-wide GHG emissions by 50-52% below 2005 levels by 2030. In November 2021, the international community gathered in Glasgow at the 26th Conference to the Parties on the UN Framework Convention on Climate Change ("COP26"), during which multiple announcements were made, including a call for parties to eliminate certain fossil fuel subsidies and pursue further action on non-CO_2 GHGs. Relatedly, the United States and European Union jointly announced the launch of the "Global Methane Pledge," which aims to cut global methane pollution at least 30% by 2030 relative to 2020 levels, including "all feasible reductions" in the energy sector. President Biden also agreed in November 2021 to cooperate with Chinese leader Xi Jinping on accelerating the transition to a global net zero economy. The impacts of these pledges, agreements and any legislation or regulation promulgated to fulfill the United States' commitments under the Paris Agreement, COP26, or other international conventions cannot be predicted at this time. However, to the extent these developments result in new restrictions on natural gas and NGL operations, increase operational costs, or otherwise reduce the demand for natural gas and NGLs, they could have a material adverse effect on our business.

Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political risks in the United States, including climate change related pledges made by certain candidates now in public office. On January 27, 2021, President Biden issued an executive order that calls for substantial action on climate change, including, among other things, the increased use of zero-emission vehicles by the federal government, the elimination of subsidies provided to the fossil fuel industry, and increased emphasis on climate-related risks across government agencies and economic sectors. The Biden Administration also issued orders temporarily suspending the issuance of authorizations, and suspending the issuance of new leases pending a study, for oil and gas development on federal lands, although such orders are no longer in effect. For more information, see "*Business — Government Regulation and Environmental Matters*." As a result, we cannot predict the full impact of these developments or whether the Biden Administration may pursue further restrictions. Other actions that could be pursued by the Biden Administration may include the imposition of more restrictive requirements for the establishment of pipeline infrastructure or the permitting of LNG export facilities, as well as more restrictive GHG emission limitations for oil and gas facilities.

Increasing attention to global climate change has resulted in increased investor attention and an increased risk of public and private litigation, which could increase our costs or otherwise adversely affect

our business. A number of parties have sought to bring suit against the largest oil and gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing, handling or marketing fuels that contributed to global warming effects, such as rising sea levels, and therefore are responsible for roadway and infrastructure damages, or alleging that the companies have been aware of the adverse effects of climate change for some time but failed to adequately disclose those impacts. The ultimate outcome and impact to us of any such litigation cannot be predicted with certainty, and we could incur substantial legal costs associated with defending these and similar lawsuits in the future. Stockholder activism has also recently been increasing in our industry, and stockholders may attempt to effect changes to our business or governance, whether by stockholder proposals, public campaigns, proxy solicitations or otherwise. Any of these risks could result in unexpected costs, negative sentiments about us, disruptions in our operations, increases to our operating expenses and reduced demand for our products, which in turn could have an adverse effect on our business, financial condition and results of operations.

There are also increasing financial risks for fossil fuel producers as stockholders currently invested in fossil-fuel energy companies may elect in the future to shift some or all of their investments into other sectors. Institutional lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. For example, at COP26, the Glasgow Financial Alliance for Net Zero ("GFANZ") announced that commitments from over 450 firms across 45 countries had resulted in over $130 trillion in capital committed to net zero goals. The various sub-alliances of GFANZ generally require participants to set short-term, sector-specific targets to transition their financing, investing, and/or underwriting activities to net zero emissions by 2050. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. President Biden signed an executive order calling for the development of a "climate finance plan" and, separately, the Federal Reserve has joined the Network for Greening the Financial System, a consortium of financial regulators focused on addressing climate-related risks in the financial sector. More recently, in November 2021, the Federal Reserve issued a statement in support of the efforts of the NGFS to identify key issues and potential solutions for the climate-related challenges most relevant to central banks and supervisory authorities. Limitation of investments in and financings for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities.

Additionally, in March 2022, the SEC proposed a new rule relating to the disclosure of a range of climate-related data, risks and opportunities. The proposed rule would impose several new disclosure obligations, including (i) disclosure on an annual basis of a registrant's Scope 1 and Scope 2 GHG emissions, with third-party independent attestation of such emissions for accelerated filers, (ii) disclosure on an annual basis of a registrant's Scope 3 GHG emissions for accelerated filers, (iii) disclosure on how the board of directors and management oversee climate-related risks and certain climate-related governance items, (iv) disclosure of information related to a registrant's publicly announced climate-related targets, goals and/or transition plans and (v) disclosure on whether and how climate-related events and transition activities impact line items above a threshold amount on a registrant's consolidated financial statements, including the impact of the financial estimates and the assumptions used. We are currently assessing this rule, but we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent this rule is finalized as proposed, we or our customers could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors. The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and gas sector or otherwise restrict the areas in which this sector may produce oil and gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and gas. Additionally, political, litigation and financial risks may result in us restricting or cancelling production activities, incurring liability for infrastructure damages as a result of climatic changes, or having an impaired ability to continue to operate in an economic manner. One or more of these developments could have a material adverse effect on our business, financial condition and results of operations.

Our ability to pursue our business strategies may be adversely affected if we incur costs and liabilities due to a failure to comply with environmental, health and safety laws or regulations or a release into the environment.

We may incur significant costs and liabilities as a result of environmental requirements applicable to the operation of our wells, gathering systems and other facilities. These costs and liabilities could arise under a wide range of federal, state and local environmental, health and safety laws and regulations, including, for example, the following federal laws and their state counterparts, as amended from time to time:

- the CAA, which regulates the emission of air pollutants from many sources, imposes various preconstruction, monitoring and reporting requirements and is relied upon by the EPA as authority for adopting climate change regulatory initiatives relating to GHG emissions;
- the Federal Water Pollution Control Act, also known as the Clean Water Act ("CWA"), which regulates discharges of pollutants from facilities to state and federal waters and establishes the extent to which waterbodies are subject to federal jurisdiction and rulemaking as protected waters of the United States;
- the SDWA, which is designed to protect the quality of the nation's public drinking water through adoption of drinking water standards and UIC over the subsurface injection of fluids into belowground formations;
- the federal Resource Conservation and Recovery Act, as amended ("RCRA"), which imposes requirements for the generation, treatment, storage, transport, disposal and cleanup of nonhazardous and hazardous wastes;
- the federal Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), which imposes liability on generators, and those who arrange for the transportation, treatment or disposal, of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur as well as on present and certain past owners and operators of those sites;
- the Emergency Planning and Community Right-to-Know Act, which requires facilities to implement a safety hazard communication program and disseminate information to employees, local emergency planning committees and response departments about toxic chemical uses and inventories; and
- the Endangered Species Act ("ESA"), which restricts activities that may affect federally identified endangered and threatened species or their habitats through the implementation of operating limitations or restrictions or a temporary, seasonal or permanent ban on operations in affected areas.

These U.S. laws and their implementing regulations, as well as state counterparts, generally restrict the level of pollutants emitted to ambient air, discharges to surface water and disposals or other releases or threats of release to surface, soils and groundwater. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil and criminal penalties, the imposition of investigatory, remedial and corrective action obligations, the incurrence of capital expenditures, the occurrence of delays in the permitting, development or expansion of projects and the issuance of orders enjoining some or all of our future operations in a particular area. Certain environmental laws impose strict joint and several liability, without regard to fault or legality of conduct, for costs required to clean up and restore sites where hazardous substances or other wastes have been disposed of or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances, wastes or other materials into the environment. In addition, these laws and regulations may restrict the rate of natural gas and NGL production or underground injection, disposal, and sequestration of CO_2. Historically, our environmental compliance costs have not had a material adverse effect on our results of operations; however, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business and operating results.

In addition, as a result of these environmental, health and safety laws and regulations, and their impact on our operations, we rely on specialized contracted companies to perform the majority of the specialized services inherent in the oil and gas industry. As such, we rely on the ability of these contractors to provide trained labor and properly designed and maintained equipment unique to their services. With the cyclical nature of the oil and gas business, the personnel used by these specialized contractors to perform these

services may differ significantly in experience levels. From time to time, these specialized contractors may use new personnel that are still in training or may further sub-contract these services to other companies or personnel. There is a risk that these sub-contractors are unqualified or under-trained or that their equipment is not properly designed or maintained, which could result in work being performed inadequately or unsafely.

Moreover, public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the oil and gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. To the extent laws are enacted or other governmental action is taken that restricts drilling or production or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business, prospects, financial condition or results of operations could be materially adversely affected.

Our gathering systems and processing, treating and fractionation facilities are subject to state regulation that could have a material adverse effect on our operations and cash flows.

State regulation of gathering systems and processing, treating and fractionation facilities includes safety and environmental requirements. In addition, several of our gas gathering systems are also subject to non-discriminatory take requirements and complaint-based state regulation with respect to our rates and terms and conditions of service. Our NGL gathering pipelines and operations may also be or become subject to state public utility or related jurisdiction which could impose additional safety and operational regulations relating to the design, siting, installation, testing, construction, operation, replacement and management of NGL gathering facilities. State and local regulation may cause us to incur additional costs, limit our operations, or prevent us from choosing the customers to which we provide service, any or all of which could have a material adverse effect on our operations and revenue.

Temple I is subject to the rules and regulations of the Public Utility Commission of Texas (the "PUCT") and ERCOT, which could have a material adverse effect on our operations and cash flows.

Temple I is subject to the rules and regulations of the PUCT and ERCOT. These regulations can impact the operations of generation facilities, which in turn can impact associated costs and revenues. For example, the PUCT is currently considering changes to its rules regarding weatherization of power plants, which could increase capital and operations and maintenance costs for generation facilities. In addition, from time to time, ERCOT makes changes to its protocols or takes out of market actions that impact the wholesale power market. These regulations may cause us to incur additional costs or face delays, or otherwise could have a material adverse effect on our operations and cash flows.

We may face unanticipated water and other waste disposal costs as a result of increased water-related regulations.

We may be subject to regulation that restricts our ability to discharge water produced as part of our natural gas and NGL production operations. Productive zones frequently contain water that must be removed for the natural gas and NGLs to produce, and our ability to remove and dispose of sufficient quantities of water from the various zones will determine whether we can produce natural gas and NGLs in commercial quantities. The produced water must be transported from the leasehold and/or injected into disposal wells. The availability of disposal wells with sufficient capacity to receive all of the water produced from our wells may affect our ability to produce our wells. Also, the cost to transport and dispose of that water, including the cost of complying with regulations concerning water disposal, may reduce our profitability. Where water produced from our projects fails to meet the quality requirements of applicable regulatory agencies, our wells produce water in excess of the applicable volumetric permit limits, the disposal wells fail to meet the requirements of all applicable regulatory agencies, or we are unable to secure access to disposal wells with sufficient capacity to accept all of the produced water, we may have to shut in wells, reduce drilling activities, or upgrade facilities for water handling or treatment. The costs to dispose of this produced water may increase if any of the following occur:

- we cannot obtain future permits from applicable regulatory agencies;

- water of lesser quality or requiring additional treatment is produced;
- our wells produce excess water;
- new laws and regulations require water to be disposed in a different manner; or
- costs to transport the produced water to the disposal wells increase.

In June 2016, the EPA adopted effluent limitations for the treatment and discharge of wastewater resulting from onshore unconventional natural gas, NGL and oil extraction facilities to publicly owned treatment works. The disposal of fluids gathered from natural gas, NGL and oil producing operations in underground disposal wells has been pointed to by some groups and regulators as a potential cause of increased induced seismic events in certain areas of the country, particularly in Oklahoma, Texas, Colorado, Kansas, New Mexico and Arkansas. Certain states have begun to consider or adopt laws and regulations that may restrict or otherwise prohibit oilfield fluid disposal in certain areas or underground disposal wells, and state agencies implementing those requirements may issue orders directing certain wells in areas where seismic incidents have occurred to restrict or suspend disposal well operations or impose standards related to disposal well construction and monitoring. Any one or more of these developments could also increase our cost to dispose of our produced water.

A change in the jurisdictional characterization of some of our assets by federal, state or local regulatory agencies or a change in policy by those agencies may result in increased regulation of our assets, which may cause our revenues to decline and operating expenses to increase.

Our natural gas gathering operations are generally exempt from the jurisdiction and regulation of the Federal Energy Regulatory Commission (“FERC”), except for certain anti-market manipulation provisions. Section 1(b) of the Natural Gas Act (“NGA”) exempts natural gas gathering facilities from regulation by FERC as a natural gas company as defined under that statute. We believe the natural gas pipelines in our gathering systems meet the traditional tests FERC has used to establish a pipeline’s status as a gathering pipeline not subject to regulation by FERC. However, the distinction between FERC-regulated transmission services and federally unregulated gathering services is fact intensive and the subject of ongoing litigation. If FERC were to consider the status of our gathering systems and determine that they are subject to FERC regulation, the rates for, and terms and conditions of, services provided by those gathering systems would be subject to modification by FERC under the NGA or the Natural Gas Policy Act (“NGPA”). Such regulation could decrease revenue, increase operating costs, and adversely affect our business, financial condition, and results of operations. In addition, if any of our facilities were found to have provided services or otherwise operated in violation of the NGA or NGPA, it could result in the imposition of civil penalties as well as a requirement to disgorge charges collected for such services in excess of the rates established by FERC.

The pipelines used to gather and transport natural gas we produce are subject to regulation by the U.S. Department of Transportation (“DOT”) under the Natural Gas Pipeline Safety Act of 1968, as amended, the Pipeline Safety Act of 1992, as reauthorized and amended, and the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (“2011 Pipeline Safety Act”). The Pipeline and Hazardous Materials Safety Administration (“PHMSA”) has established a risk-based approach to determine which gathering pipelines are subject to regulation and what safety standards regulated gathering pipelines must meet. In April 2016, pursuant to one of the requirements of the 2011 Pipeline Safety Act, PHMSA published a proposed rulemaking that would expand integrity management requirements and impose new pressure testing requirements on currently regulated gas gathering and transmission pipelines. The proposal would also significantly expand the regulation of gas gathering lines, subjecting previously unregulated pipelines to requirements regarding damage prevention, corrosion control, public education programs, and maximum allowable operating pressure limits, among others. PHMSA later announced that the agency would issue three separate final rulemakings relating to the original proposed rule for natural gas pipelines. In October 2019, PHMSA submitted three major rules to the Federal Register, including rules focused on: the safety of gas transmission pipelines (the first of three parts of the so-called gas Mega Rule), the safety of hazardous liquid pipelines and enhanced emergency order procedures. The gas transmission rule requires operators of gas transmission pipelines constructed before 1970 to determine the material strength of their lines by reconfirming the maximum allowable operating pressure. In addition, the rule updates reporting and records retention standards for gas transmission pipelines. PHMSA is expected to issue the second and third parts

of the gas Mega Rule in the near future. The safety and hazardous liquid pipelines rule would extend leak detection requirements to all non-gathering hazardous liquid pipelines and require operators to inspect affected pipelines following extreme weather events or natural disasters to address any resulting damage. Finally, the enhanced emergency procedures rule focuses on increased emergency safety measures. In particular, this rule increases the authority of PHMSA to issue an emergency order that addresses unsafe conditions or hazards that pose an imminent threat to pipeline safety. Additional future regulatory action expanding PHMSA's jurisdiction and imposing stricter integrity management requirements is possible. The adoption of laws or regulations that apply more comprehensive or stringent safety standards could require us to install new or modified safety controls, pursue new capital projects, or conduct maintenance programs on an accelerated basis, all of which could require us to incur increased operating costs that could be significant. In addition, should we fail to comply with PHMSA or comparable state regulations, we could be subject to substantial fines and penalties. The maximum civil penalties PHMSA can impose are $239,142 per pipeline safety violation per day, with a maximum of $2,391,412 for a related series of violations.

Restrictions on drilling, completion, production or related activities intended to protect certain species of wildlife may adversely affect our ability to conduct drilling activities in some of the areas where we operate.

Natural gas and NGL operations in our operating areas can be adversely affected by seasonal or permanent restrictions on drilling activities designed to protect various wildlife, such as those restrictions imposed under the ESA. Seasonal restrictions may limit our ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling is allowed. These constraints and the resulting shortages or high costs could delay our operations and materially increase our operating and capital costs. Permanent restrictions imposed to protect endangered species could prohibit drilling in certain areas or require the implementation of expensive mitigation measures. The designation of previously unprotected species in areas where we operate as threatened or endangered could cause us to incur increased costs arising from species protection measures or could result in limitations on our exploration, development and production activities that could have an adverse impact on our ability to develop and produce our reserves. To the extent species are listed or re-designated under the ESA or similar state laws, or previously unprotected species are designated as threatened or endangered in areas where our properties are located, operations on those properties could incur increased costs arising from species protection measures and face delays or limitations with respect to production activities thereon. There is also increasing interest in nature-related matters beyond protected species, such as general biodiversity, which may similarly require us to incur costs or take other measures which may materially impact our business or operations.

Potential transactions that could benefit our stockholders may be subject to regulatory review and approval requirements, including pursuant to foreign investment regulations and review by governmental entities such as the Committee on Foreign Investment in the United States ("CFIUS"), or may be ultimately prohibited.

Potential transactions we consider may be subject to regulatory review and approval requirements by governmental entities, or ultimately prohibited. For example, CFIUS has authority to review direct or indirect foreign investments in U.S. companies. Among other things, CFIUS is empowered to require certain foreign investors to make mandatory filings, to charge filing fees related to such filings, and to self-initiate national security reviews of foreign direct and indirect investments in U.S. companies if the parties to that investment choose not to file voluntarily. In the case that CFIUS determines an investment to be a threat to national security, CFIUS has the power to unwind or place restrictions on the investment. Whether CFIUS has jurisdiction to review an acquisition or investment transaction depends on, among other factors, the nature and structure of the transaction, including the level of beneficial ownership interest and the nature of any information or governance rights involved. For example, investments that result in "control" of a U.S. business by a foreign person always are subject to CFIUS jurisdiction. CFIUS's expanded jurisdiction under the Foreign Investment Risk Review Modernization Act of 2018 and implementing regulations that became effective on February 13, 2020 further includes investments that do not result in control of a U.S. business by a foreign person but afford certain foreign investors certain information or governance rights in a U.S. business that has a nexus to "critical technologies," "critical infrastructure" and/or "sensitive personal data."

For so long as Banpu retains a material ownership interest in us, we may be deemed a "foreign person" under the regulations relating to CFIUS. As such, potential transactions involving a U.S. business or foreign business with U.S. subsidiaries that we may wish to pursue may be subject to CFIUS review. If a particular transaction falls within CFIUS's jurisdiction, we may determine that we are required to make a mandatory filing or that we will submit to CFIUS review on a voluntary basis, or to proceed with the transaction without submitting to CFIUS and risk CFIUS intervention, before or after closing the transaction. CFIUS may decide to block or delay transactions that could benefit our stockholders, impose conditions with respect to such transactions or request the President of the United States to order us to divest all or a portion of the assets or companies we acquired without first obtaining CFIUS approval, which may limit the attractiveness of, delay or prevent us from pursuing certain target companies or assets that we believe would otherwise be beneficial to us and our stockholders, any of which could have a material adverse effect on our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Our sales of natural gas and NGLs, and any hedging activities related to such commodities, expose us to potential regulatory risks.

Sales of natural gas and NGLs are not currently regulated and are made at negotiated prices. However, the federal government historically has been active in the area of natural gas and NGL sales regulation. We cannot predict whether new legislation to regulate natural gas and NGL sales might be proposed, what proposals, if any, might actually be enacted by Congress or the various state legislatures and what effect, if any, the proposals might have on our operations.

Additionally, the Federal Trade Commission and the Commodity Futures Trading Commissions (the "CFTC") hold statutory authority to monitor certain segments of the physical and futures energy commodities markets relevant to our business. These agencies have imposed broad regulations prohibiting fraud and manipulation of such markets. With regard to our physical sales of natural gas and NGLs, and any hedging activities related to these energy commodities, we are required to observe the market-related regulations enforced by these agencies, which hold substantial enforcement authority. Failure to comply with such regulations, as interpreted and enforced, could materially and adversely affect our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

The adoption of derivatives legislation and regulations by Congress related to derivative contracts could have an adverse impact on our ability to hedge risks associated with our business.

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") establishes federal oversight and regulation of over-the-counter ("OTC") derivatives and requires the CFTC and the SEC to enact further regulations affecting derivative contracts, including the derivative contracts we use to hedge our exposure to price volatility through the OTC market. Although the CFTC and the SEC have issued final regulations in certain areas, final rules in other areas and the scope of relevant definitions and/or exemptions still remain to be finalized.

In one of its rulemaking proceedings still pending under the Dodd-Frank Act, the CFTC issued on December 5, 2016, a re-proposed rule imposing position limits for certain futures and option contracts in various commodities (including natural gas, NGL and oil) and for swaps that are their economic equivalents. Under the proposed rules on position limits, certain types of hedging transactions are exempt from these limits on the size of positions that may be held, provided that such hedging transactions satisfy the CFTC's requirements for certain enumerated "bona fide hedging" transactions or positions. A final rule has not yet been issued. Similarly, on December 2, 2016, the CFTC has reissued a proposed rule regarding the capital a swap dealer or major swap participant is required to set aside with respect to its swap business, but the CFTC has not yet issued a final rule.

The CFTC has also adopted final rules regarding aggregation of positions, under which a party that controls the trading of, or owns 10% or more of the equity interests in, another party will have to aggregate the positions of the controlled or owned party with its own positions for purposes of determining compliance with position limits unless an exemption applies. The CFTC's aggregation rules are now in effect, though CFTC staff have granted relief from various conditions and requirements in the final aggregation rules until the earlier of August 12, 2025 and the effective date of any rulemaking that codifies the relief. With the implementation of the final aggregation rules and upon the adoption and effectiveness of

final CFTC position limits rules, our ability to execute our hedging strategies described above could be limited. It is uncertain at this time whether, when and in what form the CFTC's proposed new position limits rules may become final and effective.

The CFTC issued a final rule on margin requirements for uncleared swap transactions on January 6, 2016, which includes an exemption from any requirement to post margin to secure uncleared swap transactions entered into by commercial end-users in order to hedge commercial risks affecting their business. In addition, the CFTC has issued a final rule authorizing an exemption from the otherwise applicable mandatory obligation to clear certain types of swap transactions through a derivatives clearing organization and to trade such swaps on a regulated exchange, which exemption applies to swap transactions entered into by commercial end-users in order to hedge commercial risks affecting their business. The mandatory clearing requirement currently applies only to certain interest rate swaps and credit default swaps, but the CFTC could act to impose mandatory clearing requirements for other types of swap transactions. The Dodd-Frank Act also imposes recordkeeping and reporting obligations on counterparties to swap transactions and other regulatory compliance obligations.

All of the above regulations could increase the costs to us of entering into financial derivative transactions to hedge or mitigate our exposure to commodity price volatility and other commercial risks affecting our business. While it is not possible at this time to predict when the CFTC will issue final rules applicable to position limits or capital requirements, depending on our ability to satisfy the CFTC's requirements for a commercial end-user using swaps to hedge or mitigate our commercial risks, these rules and regulations may require us to comply with position limits and with certain clearing and trade-execution requirements in connection with our financial derivative activities. When a final rule on capital requirements for swap dealers is issued, the Dodd-Frank Act may require our current swap dealer counterparties to post additional capital as a result of entering into uncleared financial derivatives with us, which capital requirements rule could increase the costs to us of future financial derivatives transactions. The Volcker Rule provisions of the Dodd-Frank Act may also require our current bank counterparties that engage in financial derivative transactions to spin off some of their derivatives activities to separate entities, which separate entities may not be as credit-worthy as the current bank counterparties. Under such rules, other bank counterparties may cease their current business as hedge providers. These changes could reduce the liquidity of the financial derivatives markets thereby reducing the ability of entities like us, as commercial end-users, to have access to financial derivatives to hedge or mitigate our exposure to commodity price volatility.

As a result, the Dodd-Frank Act and any new regulations issued thereunder could significantly increase the cost of derivative contracts (including through requirements to post cash collateral), which could adversely affect our capital available for other commercial operations purposes, materially alter the terms of future swaps relative to the terms of our existing bilaterally negotiated financial derivative contracts and reduce the availability of derivatives to protect against commercial risks we encounter.

If we reduce our use of derivative contracts as a result of the new requirements, our results of operations may become more volatile and cash flows less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Finally, the legislation was intended, in part, to reduce the volatility of commodity prices, which some legislators attributed to speculative trading in derivatives and commodity instruments related to natural gas, NGLs and oil. Our revenues could therefore be adversely affected if a consequence of the legislation and regulations is to lower commodity prices. Any of these consequences could have a material adverse effect on our consolidated financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

Potential future legislation or the imposition of new or increased taxes or fees may generally affect the taxation of natural gas, NGL and oil exploration and development companies and may adversely affect our cash flows.

During the past two years, there have been a significant number of federal and state level legislative proposals that, if enacted into law, would make significant changes to tax laws, including to certain key U.S. federal and state income tax provisions currently available to natural gas, NGL and oil exploration and development companies. For example, late last year the U.S. House of Representatives passed legislation that was not ultimately enacted and, earlier this year, the Biden administration set forth several tax proposals, that would, if ultimately enacted into law, make significant changes to U.S. tax laws. Such proposals

include, but are not limited to, (i) an increase in the U.S. federal income tax rates applicable to corporations, (ii) the repeal of the percentage depletion allowance for certain natural gas, NGL and oil properties, (iii) the elimination of current deductions for intangible drilling and development costs and (iv) an increase in the amortization period for geological and geophysical costs paid or incurred in connection with the exploration for, or development of, oil or natural gas, NGL and oil within the United States. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. Additionally, the states in which we operate or own assets may impose new or increased taxes or fees on natural gas, NGL and oil extraction. The passage of any legislation as a result of these proposals and other similar changes in U.S. federal income tax laws or the imposition of new or increased taxes or fees on natural gas, NGL and oil extraction could adversely affect our operations and cash flows.

Our tax liabilities potentially are subject to periodic audits by U.S. federal, state and local taxing authorities. Although we believe we have used reasonable interpretations and assumptions in calculating our tax liabilities, the final determination of these tax audits and any related proceedings cannot be predicted with certainty. Any adverse outcome of any such tax audits or related proceedings could result in unforeseen tax-related liabilities that may, individually or in the aggregate, materially affect our cash tax liabilities, and, as a result, our business, financial condition, results of operations, and liquidity.

Our business is subject to complex and evolving laws and regulations regarding privacy and data protection.

The regulatory environment surrounding data privacy and protection is constantly evolving and can be subject to significant change. New laws and regulations governing data privacy and the unauthorized disclosure of personal or confidential information pose increasingly complex compliance challenges and could potentially elevate our costs. Any failure to comply with these laws and regulations could result in significant penalties and legal liability. We continue to monitor and assess the impact of these laws, which in addition to penalties and legal liability, could impose significant costs for investigations and compliance, require us to change our business practices and carry significant potential liability for our business should we fail to comply with any such applicable laws.

Risks Related to Our Relationship with Banpu and its Affiliates

Banpu is our controlling stockholder and exercises substantial influence over us, and your ability to influence matters requiring stockholder approval may be limited.

Upon completion of this offering, Banpu will indirectly own approximately % of our outstanding common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares). Our outstanding common stock is entitled to one vote per share. As a result of its ownership of our common stock, Banpu will indirectly own approximately % of the combined voting power of our common stock immediately after completion of this offering (or approximately % if the underwriters exercise in full their option to purchase additional shares). As a result of this ownership, Banpu has a substantial influence on our affairs and its voting power will constitute a substantial percentage of any quorum of our stockholders voting on any matter requiring the approval of our stockholders. Such matters include the election of directors, the adoption of amendments to our certificate of incorporation and bylaws and the approval of mergers or the sale of all or substantially all of our assets. Banpu's control or significant influence over us also may delay, defer or prevent an acquisition by a third party or other change of control of our Company and may make some transactions more difficult or impossible without the support of Banpu, even if such events are in the best interests of our other stockholders.

In addition, pursuant to our Stockholders' Agreement, for so long as BNAC and Banpu beneficially own 10% or more of our voting stock, BNAC will be entitled to designate for nomination to our board of directors a number of individuals approximately proportionate to such beneficial ownership, provided that (i) from the completion of this offering until the first anniversary of the completion of this offering, at least three board seats will not be BNAC designees, (ii) from and after the first anniversary of the completion of this offering until the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, at least four board seats will not be BNAC designees, and (iii) from and after the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, a number of board seats equal to the minimum number of directors that would constitute a majority of the total number of directors comprising

our board of directors will not be BNAC designees. See " *Management — Controlled Company*," "*Principal Stockholders"* and "*Certain Relationships and Related Party Transactions — Stockholders' Agreement*."

In addition, we do not control the BKV-BPP Power Joint Venture. We and BPPUS jointly control BKV-BPP Power through a board of directors consisting of eight members, four of which are appointed by us and four of which are appointed by BPPUS. See "*Risks Related to Our Power Generation Business — We operate our power generation business through a joint venture which we do not control*." Further, if, after this initial public offering, Banpu and its wholly owned subsidiaries cease to own at least 51% of our equity interests, or if any such holder allows any lien to exist on our equity interests that they own, such event will be an event of default under the Term Loan Credit Agreement and the Revolving Credit Agreement, which may result in the amounts owed by us thereunder to become immediately due and payable.

The interests of Banpu may differ from our interests or those of our other stockholders and the concentration of control in Banpu will limit other stockholders' ability to influence corporate matters. Banpu may take actions that our other stockholders do not view as beneficial or decline to take actions that our other stockholders view as beneficial, which may adversely affect our business, financial condition, results of operations and our ability to pay dividends on our common stock. In addition, Banpu's control or significant influence over us may have an adverse effect on the price of our common stock.

Historically we have relied on Banpu and its affiliates for capital investments sufficient to fund our business operations. Banpu has no obligation to make any further capital investments or to provide additional loan proceeds.

Prior to the consummation of this offering, we have relied on Banpu and its affiliates for the capital investments necessary to fund our business through loan proceeds and other contributions. Following this offering, Banpu and its affiliates will have no obligation to provide any additional funding, and instead, we expect to fund our capital expenditures through cash flows from operations and from borrowings under our Revolving Credit Facilities and the Revolving Credit Agreement. Our future operating performance and to meet our debt service obligations will be affected by economic and capital market conditions, results of operations and other factors, many of which are beyond our control.

Restrictive covenants in the agreements governing the indebtedness of Banpu may limit our ability to incur additional debt.

The agreements governing the indebtedness of Banpu require it to maintain certain financial ratios and tests based on consolidated financial statements. Immediately after completion of this offering, Banpu, or a subsidiary of Banpu, will continue to have a substantial influence on our affairs and its voting power will constitute a substantial percentage of any quorum of our stockholders voting on any matter requiring the approval of our stockholders. As a result, Banpu may prevent us from taking corporate actions that could cause Banpu to fail to comply with the applicable provisions of its debt agreements, even when such actions are in our best interests and the interests of our other stockholders. This limitation may materially adversely affect our ability to obtain future financing or fund needed capital expenditures.

We expect to be a "controlled company" within the meaning of the NYSE rules and, as a result, will qualify for and could rely on exemptions from certain corporate governance requirements.

Upon the completion of this offering, Banpu will beneficially control a majority of the combined voting power of all classes of our outstanding voting stock. Pursuant to our Stockholders' Agreement, BNAC, through ownership interests in us held by BNAC and its affiliates, will have certain rights to designate individuals for nomination to our board of directors. "*Certain Relationships and Related Party Transactions — Stockholders' Agreement*" contains additional information regarding these risks. As a result, we expect to be a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;

- the corporate governance and nominating committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the nominating and governance and compensation committees.

These requirements will not apply to us as long as we remain a controlled company. Following this offering, we may utilize some or all of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. "*Management — Controlled Company*" contains additional information regarding these risks.

Banpu's interests, including interests in certain corporate opportunities, may conflict with our interests and the interests of our other stockholders. Conflicts of interest between us and Banpu could be resolved in a manner unfavorable to us and our other stockholders.

Banpu could have interests that differ from, or conflict with, the interests of our other stockholders and could cause us to take certain actions even if the actions are not favorable to us or our other stockholders or are opposed by our other stockholders. Potential conflicts of interest or disputes may arise between Banpu and us in a number of areas relating to our past or ongoing relationships, including:

- tax, employee benefits, indemnification and other matters arising from this offering;
- employee retention and recruiting;
- corporate opportunities that may be attractive to both Banpu and us;
- the arrangements governing the BKV-BPP Power Joint Venture and any other new commercial arrangements between the Company and affiliates of Banpu in the future; and
- sales or other disposals by Banpu of all or a portion of its interest in us.

We may not be able to resolve potential conflicts and disputes with Banpu and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated third party. Because we are controlled or significantly influenced by Banpu, we may not have the leverage to negotiate amendments to the arrangements governing the BKV-BPP Power Joint Venture (if any are required) on terms as favorable to us as those we would negotiate with an unaffiliated third party.

Additionally, there can be no assurance that Banpu will not engage in competition with us in the future. Our certificate of incorporation provides that, to the fullest extent permitted by law, neither Banpu nor its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will have any duty to refrain from (i) engaging in the same or similar business activities or lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that Banpu or its affiliates or any non-employee director acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, himself or herself or its or his or her affiliates or for us or any of our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity.

Our certificate of incorporation also renounces, to the fullest extent permitted by law, any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees.

Generally, neither Banpu nor our non-employee directors who also are directors, officers, employees, agents or affiliates of Banpu or its affiliates (other than us) will be liable to us or our stockholders for breach

of any fiduciary duty solely by reason of the fact that any such person pursues or acquires any corporate opportunity for, or recommends or transfer any corporation opportunity to, Banpu or its affiliates (other than us), rather than to us. This renunciation will not extend to corporate opportunities expressly offered to one of our non-employee directors solely in his or her capacity as our director or officer.

These provisions create the possibility that a corporate opportunity of our Company may be used for the benefit of Banpu and may significantly impair our ability to grow.

Certain of our directors may have actual or potential conflicts of interest because of their positions with Banpu and/or their ownership of common stock or equity awards in Banpu.

Following this offering, six of our directors will be employees of Banpu or its affiliates. In addition, such directors may own capital stock or equity awards in Banpu. For certain of these individuals, their holdings of common stock or equity awards in Banpu may be significant compared to their total assets. Their position at Banpu or its affiliates and the ownership of capital stock or equity awards in Banpu creates, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for Banpu than for us. These decisions could include:

- corporate opportunities;
- the impact that operating or capital decisions (including the incurrence of indebtedness) relating to our business may have on Banpu's consolidated financial statements or current or future indebtedness (including related covenants);
- business combinations involving us;
- our dividend and stock repurchase policies;
- compensation and benefit programs and other human resources policy decisions;
- management stock ownership;
- the payment of dividends on our common stock; and
- determinations with respect to our tax returns.

As a result of these actual or apparent conflicts of interest, we may be precluded from pursuing certain growth initiatives or transactions that may be favorable to us or we may take certain actions even if the actions are not favorable to us or are opposed by our stockholders.

If Banpu experiences a change in control, you may not realize any change-of-control premium on shares of our common stock and we may become subject to the control of a presently unknown third party. Further, Banpu may sell, or pledge as collateral for its existing or future indebtedness, the shares of our common stock that it owns.

After this offering, Banpu will own approximately % of our outstanding common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares). Subject to the provisions of the lock-up agreement entered into in connection with this offering, Banpu will not be restricted from selling some or all of its shares of our common stock in a privately negotiated transaction or otherwise, and a sale of its shares, if sufficient in size, could result in a change of control of our Company. Further, Banpu will not be restricted from pledging as collateral for its indebtedness the shares of our common stock held by it.

The ability of Banpu to sell its shares of our common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our common stock held by our other stockholders, could prevent you from realizing any change-of-control premium on your shares of our common stock that may otherwise accrue to Banpu on its sale of our common stock. In addition, if Banpu were to pledge as collateral for its indebtedness the shares of our common stock held by it, and Banpu were to default under such indebtedness, the lenders thereunder could foreclose upon and sell such shares to satisfy Banpu's obligations under such indebtedness.

Further, any acquiror or successor of all or a substantial number of Banpu's shares of our common stock will be entitled to exercise Banpu's voting control with respect to us. Such third party may have interests that conflict with those of our other stockholders. Any acquiror or successor to which Banpu transfers a controlling interest in us may attempt to cause us to revise or change our plans and strategies, as well as the agreements between Banpu and us described in this prospectus.

Risks Related to the Offering and Our Common Stock

Our actual operating results and activities could differ materially from the guidance we have disclosed herein.

We have presented herein certain forecasted operating results, costs and activities, including, without limitation, our future expected drilling activity and production. Any such forward-looking guidance represents our management's estimates as of the date hereof, is based upon a number of assumptions that are inherently uncertain and is subject to numerous business, political, economic, competitive, financial and regulatory risks, including the risks described under "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Statements.*" Many of these risks and uncertainties are beyond our control, such as declines in commodity prices and the speculative nature of estimating natural gas and NGL reserves and in projecting future rates of production. If any of these risks and uncertainties actually occur or the assumptions underlying our guidance are incorrect, our actual operating results, costs and activities may be materially and adversely different from our guidance. In addition, investors should also recognize that the reliability of any guidance diminishes the farther in the future that the data is forecast. In light of the foregoing, investors are urged to put our guidance in context and not to place undue reliance upon it.

We may not have sufficient available cash to pay any dividends on our common stock.

Holders of our common stock do not have a right to dividends on such shares unless declared or set aside for payment by our board of directors. Under Delaware law, cash dividends on capital stock may only be paid from "surplus" or, if there is no "surplus," from the corporation's net profits for the then-current or the preceding fiscal year. Unless we operate profitably, our ability to pay dividends on our common stock would require the availability of adequate "surplus," which is defined as the excess, if any, of net assets (total assets less total liabilities) over capital.

We may not have sufficient available cash to enable us to pay any dividends to our stockholders. The actual amount of available cash we will have to pay dividends will be reduced by the cost to fund acquisitions without issuing additional equity or debt, payments in respect of our debt instruments, other contractual obligations, operating expenses, general and administrative expenses, maintenance capital expenditures and reserves for future capital needs that our board of directors may determine are appropriate.

The payment of regular dividends on our common stock is subject to the discretion of our board of directors.

Our stockholders will have no contractual or other legal right to dividends. The payment of future dividends on our common stock will be at the discretion of our board of directors and any determination to pay dividends and the amount of any such dividends will depend on general economic and business conditions, our financial condition, capital requirements, results of operations, contractual limitations, legal, tax, regulatory and contractual restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including the restrictions under our current and any future debt agreements, potential acquisition opportunities and the availability and desirability of financing alternatives, the need to service our indebtedness or other current and anticipated cash needs and any other factors our board of directors deem relevant. Events may occur, including a reduction in anticipated production volumes or realized prices or other events, which could materially impact the actual amount of any dividends we pay. Our board of directors will have the authority to establish cash reserves for the prudent conduct of our business, and the establishment of or increase in those reserves could result in a reduction in cash available for distribution to pay dividends on our common stock at anticipated levels. Accordingly, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our common stock, which could adversely affect the market price of our common stock. Investors are cautioned not to place undue reliance on the permanence of a dividend policy in making an investment decision.

The agreements governing our indebtedness impose restrictions on dividend payments.

The Term Loan Credit Agreement and the Revolving Credit Agreement contain, and any future debt agreement may contain, covenants that prohibit us from paying dividends on our common stock under certain circumstances. Both the Term Loan Credit Agreement and the Revolving Credit Agreement permit us to pay quarterly dividends to our stockholders if, among other things, (1) we have earned sufficient free cash flow (as defined in the Term Loan Credit Agreement), (2) our pro forma available cash is greater than $100.0 million and (3) our adjusted stockholders' equity (as defined generally to mean our stockholders' equity as determined in accordance with GAAP determined in the most recently delivered financial statements, adjusted to exclude certain unrealized earnout obligations and unrealized gains or losses resulting from hedging agreements and the application of the applicable accounting standard for the hedging instruments) is not less than $800.0 million. There can be no assurance that we will generate sufficient cash flow to permit us to pay dividends in compliance with the Term Loan Credit Agreement, the Revolving Credit Agreement or any other debt agreement.

Restrictions on distributions to us by our subsidiaries and affiliates under agreements governing their future indebtedness could limit our ability to pay dividends to holders of our common stock. These agreements contain financial tests and covenants that our subsidiaries and affiliates must satisfy prior to making distributions. If any of our subsidiaries or affiliates is unable to satisfy these restrictions or is otherwise in default under such agreements, it would be prohibited from making distributions to us that could, in turn, limit our ability to pay dividends to holders of our common stock.

The amount of our quarterly cash dividends, if any, may vary significantly both quarterly and annually and will be directly dependent on the performance of our business.

Investors who are looking for an investment that will pay regular and predictable quarterly dividends should not invest in our common stock. Our future business performance may be volatile and our cash flows may be unstable and we do not intend to maintain excess dividend coverage for the purpose of maintaining stability or growth in our dividends nor do we intend to reserve cash for dividends in future periods or incur debt to pay dividends. Because our dividends will be dependent upon the amount of cash we generate each quarter after payment of our fixed and variable expenses and after reserves for (i) debt service and other contractual obligations and fixed charges and (ii) future operating and capital needs, any future quarterly dividends paid to our stockholders will vary significantly from quarter to quarter, and may be zero, and our stockholders have no contractual or other legal right to dividends. See "*Dividend Policy*."

Our board of directors will initially adopt a policy to pay dividends to our stockholders, which could limit our ability to grow and make acquisitions.

As a result of our dividend policy, we will have limited cash available to fund acquisitions, and we will rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions. As such, to the extent we are unable to finance growth externally, our dividend policy may significantly impair our ability to grow.

To the extent we issue additional shares of common stock in connection with any acquisitions or as in-kind dividends, the payment of dividends on those additional shares of common stock may increase the risk that we will be unable to maintain or increase our per share dividend level. The incurrence of commercial borrowings or other debt to finance our growth strategy would result in increased interest expense, which, in turn, would reduce the available cash that we have to distribute to our stockholders.

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes- Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

Upon becoming a public company, we will be required to comply with new laws, regulations and requirements, certain corporate governance provisions of Sarbanes-Oxley Act, related regulations of the SEC and the requirements of the NYSE, with which we were not required to comply as a private company.

Complying with these statutes, regulations and requirements will occupy a significant amount of our time and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function to test and conclude on the sufficiency of our internal control over financial reporting;
- comply with rules promulgated by the NYSE;
- prepare and distribute periodic public reports;
- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside professionals in the above activities.

Furthermore, while we generally must comply with Section 404 of the Sarbanes-Oxley Act, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting until our first annual report subsequent to our ceasing to be an "emerging growth company." At any time, we may conclude that our internal controls, once tested, are not operating as designed or that the system of internal controls does not address all relevant financial statement risks. Once required to attest to the effectiveness of our internal control over financial reporting, our independent registered public accounting firm may issue a report that concludes it does not believe our internal control over financial reporting is effective. Compliance with Sarbanes-Oxley Act requirements may strain our resources, increase our costs and distract management; and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will be subject to significant regulatory oversight and reporting obligations under U.S. federal securities laws and the continuous scrutiny of securities analysts and investors. In addition, most members of our management team have limited experience managing a public company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage us as a public company. These new obligations and constituents require significant attention from our management team and could divert our management team's attention away from the day-to-day management of our business, which could adversely affect our business, results of operations and financial condition.

Further, we expect that being a public company subject to these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers. We are currently evaluating these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future, or otherwise fail to maintain effective internal controls over financial reporting, which could result in a restatement of our financial statements or cause us to fail to meet our reporting obligations.

We have identified several material weaknesses in our internal control over financial reporting as of December 31, 2021, as described below. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

We did not design and maintain effective controls to communicate relevant information among departments to completely and accurately record and disclose transactions in the financial statements. This material weakness contributed to two additional material weaknesses in our internal controls. We did not design and maintain effective controls related to (i) the accounting for stock awards and common stock with certain put rights, including the value and classification of such arrangements, and (ii) the communication and evaluation of terms and conditions set forth in complex contracts, including certain of our commodity derivative contracts, relevant to our compliance with financial covenants and related disclosures.

Finally, we did not design and maintain effective controls related to the accounting for income taxes, which were not designed at a sufficient level of precision or rigor to prepare and review the tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and disclosures in the consolidated financial statements, which also resulted in a material weakness in our internal control over financial reporting.

The material weaknesses described above resulted in audit adjustments to share capital and other mezzanine equity accounts, liquidity disclosures, income tax benefit, income taxes payable to related party and deferred tax assets. Additionally, each of the material weaknesses described above could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

We have begun to take steps towards remediating these material weaknesses primarily by designing and implementing additional internal controls, including those related to (i) the communication of relevant information across departments, (ii) the valuation and classification of stock awards and common stock with certain put rights, (iii) the communication and evaluation of terms and conditions included in complex contracts relevant to our compliance with financial covenants and related disclosures, and (iv) the preparation and review of the income tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and income tax disclosures. Although we believe we are addressing the internal control deficiencies that led to the material weaknesses, the measures we have taken, and plan to take, may not be effective.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. We cannot be certain that our efforts to develop and maintain our internal controls will be successful, that we will be able to maintain adequate control over financial reporting in the future, or that we will be able to comply with our obligations under Section 404 of the Sarbanes-Oxley Act.

We cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required by reporting requirements under Section 404 of the Sarbanes-Oxley Act after the completion of this offering. If material weaknesses emerge related to financial reporting, we encounter difficulties in implementing or improving our internal controls or we otherwise fail to develop and maintain effective internal control over financial reporting, our reputation and operating results could be harmed, we could fail to meet our reporting obligations, or we may have a restatement of our financial statements. Ineffective internal control over financial reporting could also cause current and potential investors to lose confidence in our reported financial information, which would harm our business and likely have a negative effect on the trading price of our shares of common stock.

There is no existing market for our common stock, and we do not know if one will develop.

Prior to this offering, there has not been a public market for our common stock. We cannot predict the extent to which investor interest in the Company will lead to the development of an active trading market on the stock exchange on which we list our common stock or otherwise or how liquid that market might become. If an active trading market does not develop, anyone purchasing our common stock may have difficulty selling it. The initial public offering price for the common stock was determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, purchasers of our common stock may be unable to sell it at prices equal to or greater than the price paid.

The following factors could affect our stock price:

- quarterly variations in our financial and operating results;
- public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;

- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- the failure of research analysts to cover our common stock;
- sales of our common stock by us or our stockholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions, including, among other things, fluctuations in commodity prices;
- domestic and international political, economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks described in this " *Risk Factors*" section.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

Our governing documents, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock. The existence of significant stockholders, such as Banpu, may have similar effects.

Some provisions of our governing documents could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including:

- providing for a classified board of directors;
- limitations on the removal of directors;
- limitations on the ability of our stockholders to call special meetings;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders;
- the requirement that the affirmative vote of the holders of at least 66 ⅔% in voting power of all the then-outstanding shares of our stock be obtained to amend and restate our existing bylaws or to remove directors;
- the requirement that the affirmative vote of the holders of at least 66 ⅔% in voting power of all the then-outstanding shares of our stock (or, if approved by at least 60% of our board of directors, a majority in voting power of all the then-outstanding shares of our stock) be obtained to amend our certificate of incorporation; and
- providing that the board of directors is expressly authorized to make, repeal, alter, amend and rescind our bylaws.

In addition, the existence of significant stockholders, such as Banpu, may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of the Company. Moreover, Banpu's concentration of stock ownership in us may adversely affect the trading price of our common stock to the extent investors perceive a disadvantage in owning stock of a company with a significant stockholder.

Investors in this offering will experience immediate and substantial dilution of $ per share.

Based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover of this prospectus), purchasers of our common stock in this offering will experience an immediate and substantial dilution of $ per share in the as adjusted net tangible book value per share of common stock from the initial public offering price. After giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated proceeds (after deducting estimated underwriting discounts and commissions and estimated offering expenses), our as adjusted net tangible book value as of September 30, 2022 would have been approximately $ per share. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. "*Dilution*" contains additional information.

Future sales of our common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

We may issue additional shares of common stock or convertible securities in subsequent public offerings. After the completion of this offering, assuming the underwriters' option to purchase additional shares is fully exercised, we will have outstanding shares of common stock. This number includes shares of common stock that we are selling in this offering and shares of common stock that we may sell in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market. Immediately following the completion of this offering, Banpu will own shares of common stock, representing approximately % of our total outstanding common stock (or % if the underwriters' option to purchase additional shares is exercised in full) and management, directors and other employee and non-employee stockholders, collectively, will own shares of common stock, representing approximately % of our total outstanding common stock (or % if the underwriters' option to purchase additional shares is exercised in full). All such shares are restricted from immediate resale under the federal securities laws and all such shares are subject to the lock-up agreements between such parties and the underwriters described in "*Underwriting*" but may be sold into the market in the future.

Our Stockholders' Agreement will provide BNAC and its affiliates with the right, in certain circumstances, to require us to register their shares of our common stock constituting registrable securities under the Securities Act for sale into the public markets at any time following the date that is six months after the consummation of this offering. "*Shares Eligible for Future Sale*" and "*Certain Relationships and Related Party Transactions — Registration Rights*" contain additional information regarding such rights.

In addition, in connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our equity incentive plans. Subject to the satisfaction of vesting conditions and the expiration of lock-up agreements, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition or shares owned by Banpu and such other stockholders), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

Our common stock will not be entitled to preemptive rights to buy shares from us. As a result, stockholders will not have the automatic ability to avoid dilution in their percentage ownership of us.

Terms of subsequent financings may adversely impact stockholder equity.

If we raise more equity capital from the sale of common stock, institutional or other investors may negotiate terms more favorable than the current prices of our common stock. If we issue debt securities, the holders of the debt would have a claim to our assets that would be prior to the rights of stockholders until the debt is paid. Interest on these debt securities would increase costs and could negatively impact our operating results.

In accordance with Delaware law and the provisions of our certificate of incorporation, we may issue one or more classes or series of preferred stock that ranks senior in right of dividends, liquidation or voting

to our common stock. Preferred stock may have such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine, and the issuance of preferred stock would dilute the ownership of our existing stockholders. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock. The terms of any series of preferred stock may also reduce or eliminate the amount of cash available for payment of dividends to our holders of common stock or subordinate the claims of our holders of common stock to our assets in the event of our liquidation. Our common stock will not be subject to conversion, redemption or sinking fund provisions.

The representatives of the underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our common stock.

We, Banpu and all of our directors and executive officers have entered into lock-up agreements with respect to their ownership of our common stock, pursuant to which we and they are subject to certain resale restrictions for a period of 180 days following the effectiveness date of the registration statement of which this prospectus forms a part. The representatives of the underwriters, at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements. If the restrictions under the lock-up agreements are waived, then common stock will be available for sale into the public markets, which could cause the market price of our common stock to decline and impair our ability to raise capital. "*Underwriting*" provides additional information regarding the lock-up agreements.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our common stock or if our operating results do not meet their expectations, our stock price could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover the Company downgrades our common stock or if our operating results do not meet their expectations, our stock price could decline.

Our certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our certificate of incorporation will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Company to the Company or our stockholders, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL") or our governing documents, or (iv) action asserting a claim against the Company or any director, officer or employee of the Company, which claim is governed by the internal affairs doctrine. Notwithstanding the foregoing sentence, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under U.S. federal securities laws, including the Securities Act and the Exchange Act. This choice of forum may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our governing documents inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenue and losses, projected costs, prospects, plans and objectives of management and dividend policy are forward-looking statements. When used in this prospectus, words such as “expect,” “project,” “estimate,” “believe,” “anticipate,” “intend,” “budget,” “plan,” “seek,” “envision,” “forecast,” “target,” “predict,” “may,” “should,” “would,” “could,” “will,” the negative of these term and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under “*Risk Factors*.” These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about, among other things:

- our business strategy;
- our reserves;
- our financial strategy, liquidity and capital required for our development programs;
- our relationship with Banpu, including future agreements with Banpu;
- estimated natural gas, NGL and oil prices;
- our dividend policy;
- the timing and amount of future production of natural gas, NGL and oil;
- our hedging strategy and results;
- our drilling plans;
- competition and government regulation;
- legal, regulatory or environmental matters;
- marketing of natural gas, NGL and oil;
- business or leasehold acquisitions and integration of acquired businesses;
- our ability to develop existing prospects;
- costs of developing our properties and of conducting our operations;
- our plans to establish midstream contracts that allow us to supply our own natural gas directly to Temple I;
- our plan to continue to build out our power generation business and to expand into retail power;
- our ability to effectively operate and grow our CCUS business;
- our ability to reach FID and execute and complete any of our pipeline of identified CCUS projects;
- our ability to identify and complete additional CCUS projects as we expand our upstream operations;
- our anticipated Scope 1, Scope 2 and Scope 3 emissions from our owned and operated upstream businesses and our plans to offset our Scope 1, Scope 2 and Scope 3 emissions in our owned and operated upstream business;
- the impact of the COVID-19 pandemic and its effects on our business and financial condition;
- general economic conditions;
- cost inflation;

- credit markets;
- our ability to service our indebtedness;
- our ability to expand our business, including through the recruitment and retention of skilled personnel;
- our future operating results;
- the remediation of our material weaknesses; and
- our plans, objectives, expectations and intentions.

The forward-looking statements included in this prospectus are based on current expectations and involve numerous risks and uncertainties, most of which are difficult or impossible to predict and many of which are beyond our control, incident to the exploration for and development, production and sale of natural gas, NGLs and oil. Assumptions relating to these forward-looking statements involve judgments, risks and uncertainties with respect to, among other things, market factors (including competition and inflation), market prices (including geographic basis differentials) of natural gas, NGLs and oil, results of future drilling and marketing activity, future production and costs (including availability of drilling and production equipment and services), legislative and regulatory initiatives, electronic, cyber or physical security breaches, drilling and other operating risks, environmental risks (including weather-related events), future business decisions, the uncertainty inherent in estimating natural gas, NGL and oil reserves and the other risks described under "*Risk Factors*."

Reserve engineering is a process of estimating underground accumulations of natural gas, NGLs and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of natural gas, NGLs and oil that are ultimately recovered.

Although we believe that the assumptions underlying these forward-looking statements are reasonable, should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, actual outcomes and our results and financial condition may differ materially from those indicated in any forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved.

All forward-looking statements, expressed or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

All forward-looking statements, expressed or implied, in this prospectus are based only on information currently available to us and speak only as of the date on which they are made. Except as otherwise required by applicable law, we disclaim any duty to publicly update any forward-looking statement, each of which is expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our common stock in this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional shares), based on an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus).

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering by $ million, assuming that the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Of the net proceeds we receive from the sale of our common stock in this offering, we intend to use approximately $ million to repay in full the loan under the $75 Million A&R Loan Agreement with BNAC, $ million to make additional contingent consideration payments payable in connection with the Devon Barnett Acquisition and the remainder for other general corporate purposes, including to fund the expansion of our CCUS business.

On March 10, 2022, we borrowed $75.0 million under the $75 Million Loan Agreement with BNAC to fund the deposit for the Exxon Barnett Acquisition. On June 15, 2022, we entered into the $75 Million A&R Loan Agreement, which amended and restated the $75 Million Loan Agreement to, among other things, subordinate the $75.0 million term loan owed to BNAC thereunder to the term loans we borrowed under the Term Loan Credit Agreement. Interest on the outstanding principal is SOFR + 5.25% and is payable on a semi-annual basis. The principal balance of $75.0 million is due on December 31, 2027, including any unpaid interest. For additional information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Subordinated Intercompany Loan Agreements*."

For additional information on the contingent consideration payments described above, see " *Note 15 — Commitments and Contingencies*" to our audited consolidated financial statements included elsewhere in this prospectus and "*Note 14 — Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

DIVIDEND POLICY

We currently do not pay a fixed cash dividend to holders of our common stock. Although we will not be required by any law, our certificate of incorporation or our bylaws to pay dividends, at or prior to the closing of this offering, our board of directors will adopt a written policy pursuant to which we intend to pay to stockholders, subject to the factors described below, including the restrictions under the Term Loan Credit Agreement and the Revolving Credit Agreement, quarterly cash dividends and to consider the payment of additional special dividends from time to time.

All dividends will be subject to the sole discretion of our board of directors and the considerations discussed below. We intend to pay dividends out of cash flows from operations to the extent available, and our stockholders have no contractual or other legal right to dividends.

Any determination to declare and pay a regular or special dividend, as well as the amount of any such dividends, will depend on our board of directors' consideration of general economic and business conditions, our financial condition and results of operations, capital requirements, restrictions under our indebtedness, potential acquisition opportunities and other current and anticipated cash needs and any other factors our board of directors deems relevant. Events may occur, including a reduction in anticipated production volumes or realized prices or other events, which could materially impact the actual amount of any dividends we pay. In addition, our board of directors may be required to, or may elect to, reduce, or eliminate our dividends during periods of reduced prices or demand for oil and natural gas, among other reasons.

Our dividend policy may change from time to time, and there can be no assurance that we will declare any regular or special cash dividends at all or in any particular amounts.

Each of the Term Loan Credit Agreement and the Revolving Credit Agreement permits us to pay quarterly dividends to our stockholders if, among other things, (1) we have earned sufficient free cash flow (as defined in the Term Loan Credit Agreement and the Revolving Credit Agreement), (2) our pro forma available cash is greater than $100.0 million and (3) our adjusted stockholders' equity (as defined generally to mean our stockholders' equity as determined in accordance with GAAP as determined in the most recently delivered financial statements, adjusted to exclude certain unrealized earnout obligations and unrealized gains or losses resulting from hedging agreements and the application of the applicable accounting standard for the hedging instruments) is not less than $800.0 million.

CAPITALIZATION

The following table shows our capitalization as of September 30, 2022:

- on an actual basis; and
- on an as adjusted basis, after giving effect to the sale of shares of our common stock in this offering (which assumes that the underwriters do not exercise their option to purchase additional shares), at an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), our receipt of the estimated net proceeds of this offering and after deducting underwriting discounts and commissions and estimated offering expenses payable by us and the application of such net proceeds as described under "*Use of Proceeds*."

The as adjusted information set forth in the table below is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined when the initial public offering price is determined. You should read the following table together with "*Prospectus Summary — Summary Historical Consolidated Financial Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Prospectus Summary — Summary Reserve, Production and Operating Data*," and our historical consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

	As of September 30, 2022	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents, including restricted cash[1]	$ 184,616	$
Debt:		
Notes payable to related party[2]	$ 75,000	$
Term Loan Credit Agreement	563,703	
Credit facilities	130,000	
Total debt[3]	$ 768,703	$
Mezzanine equity[4]:		
Common stock-minority ownership puttable shares	$ 68,102	$
Equity-based compensation	91,128	
Total mezzanine equity	$ 159,230	$
Stockholders' equity:		
Common stock, par value $.01 per share; 300,000,000 authorized shares; 117,325,797 shares issued and outstanding, actual; and shares issued and outstanding, as adjusted[5]	$ 1,132	$
Treasury stock, shares at cost; 386,000 shares	(3,974)	
Additional paid-in capital	886,460	
Accumulated deficit	(105,568)	
Total stockholders' equity	$ 778,050	$
Total capitalization	$1,890,599	$

(1) Includes approximately $17.5 million of restricted cash, which represents cash borrowed as of September 30, 2022 under the Term Loan Credit Agreement which can only be used for costs related to the Exxon Barnett Acquisition. We anticipate the restricted cash will be used for remaining transaction and integration costs related to the Exxon Barnett Acquisition. The as adjusted amount reflects the payment of $ million in contingent consideration payments to be paid in 2023 with respect to the Devon Barnett Acquisition (as described in "*Note 15 — Commitments and Contingencies*" to our audited consolidated financial statements and " *Note 14 — Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus).

(2) Represents the term loans under the $75 Million Loan Agreement with BNAC. See " *Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities*."

(3) As of November 17, 2022, we had total outstanding debt of $745.0 million, which consisted of (i) $75.0 million in aggregate principal amount under the Subordinated Intercompany Loan Agreements, (ii) $570.0 million in aggregate principal amount under the Term Loan Credit Agreement, which excludes $6.3 million of debt issuance costs, (iii) $45.0 million in aggregate principal amount under our OCBC Credit Facility, (iv) $10.0 million in aggregate principal amount under our SCB Credit Facility and (v) $45.0 million in aggregate principal amount under our Revolving Credit Agreement.

(4) Holders of certain minority ownership shares of our common stock, shares of our common stock issued as stock compensation and shares of common stock purchased through our employee stock purchase program have the right, at their respective option, to require the Company to repurchase the shares upon the occurrence of certain events. As a result, the fair value of these common shares is recognized within mezzanine equity in our consolidated balance sheets. In connection with the closing of this offering, the put rights with respect to these shares will be terminated and the related shares of common stock will be reclassified as permanent equity.

(5) The number of shares of our common stock issued and outstanding on an as adjusted basis assumes that the underwriters will not exercise their option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity, total capitalization and shares of common stock outstanding as of September 30, 2022 would have been $, $, $, $, and $, respectively.

The number of shares of our common stock set forth in the table above excludes an aggregate of 10,000,000 additional shares of our common stock reserved for future awards pursuant to the 2022 Plan, including shares of common stock that may be issued upon vesting of equity awards that we expect to be granted in connection with this offering, and 1,000,000 shares of our common stock available for purchase by employees pursuant to the ESPP.

DILUTION

Purchasers of the common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the common stock for accounting purposes. Our net tangible book value as of September 30, 2022 was $ million, or $ per share. Net tangible book value per share is determined by dividing our tangible net worth (tangible assets less total liabilities) by the total number of shares of common stock that were outstanding as of September 30, 2022. After giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated net proceeds (after deducting estimated underwriting discounts and commissions and estimated offering expenses), our as adjusted net tangible book value as of September 30, 2022 would have been approximately $ million, or $ per share. This represents an immediate increase in the net tangible book value of $ per share to our existing stockholders and an immediate dilution (*i.e.*, the difference between the initial public offering price per share of our common stock and the as adjusted net tangible book value per share of our common stock after this offering) to new investors purchasing shares of common stock in this offering of $ per share.

The following table illustrates the per share dilution to new investors purchasing shares of common stock in this offering:

Assumed initial public offering price per share		$
Net tangible book value per share as of September 30, 2022	$	
Increase in net tangible book value per share attributable to new investors in this offering		
Less: As adjusted net tangible book value per share of common stock after giving effect to this offering		
Dilution in as adjusted net tangible book value per share to new investors from this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), would increase (decrease) the as adjusted net tangible book value per share after this offering by $ per share and increase (decrease) the dilution in net tangible book value per share to new investors in this offering by $ per share, in each case assuming the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and less estimated underwriting discounts and commissions and estimated offering expenses payable by us (and if the underwriters exercise in full their option to purchase additional shares, the as adjusted net tangible book value per share would be $ per share, and the dilution in net tangible book value per share to new investors in this offering would be $ per share).

The following table summarizes, as of September 30, 2022, the differences between the number of shares issued as a result of this offering, the total amount paid by existing shareholders and the average price per share to be paid by investors in this offering, based upon an assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus).

	SHARES		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing stockholders					
Existing common stock stockholders		%		%	$
Existing mezzanine equity stockholders[(1)]		%		%	$
Total existing stockholders		%		%	$
New investors		%		%	
Total		100%	$	100%	$

(1) Holders of certain minority ownership shares of our common stock have the right, at their option, to

require the us to repurchase the shares upon the occurrence of certain events. As a result, the fair value of these common shares is recognized within mezzanine equity in our consolidated balance sheets. In connection with the closing of this offering, the put rights with respect to these shares will be terminated and the related shares of common stock will be reclassified as permanent equity.

The above tables and related discussion are based on the number of shares of our common stock to be outstanding as of the closing of this offering. If the underwriters' option to purchase additional shares is exercised in full, the number of shares held by new investors will be increased to , or approximately % of the total number of shares of common stock. The above tables and related discussion exclude an aggregate 10,000,000 of additional shares of our common stock reserved for future awards pursuant to the 2022 Plan and 1,000,000 additional shares reserved to be available for purchase by employees pursuant to the ESPP.

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

On June 30, 2022, the Company closed the Exxon Barnett Acquisition pursuant to which it acquired certain natural gas upstream assets and associated midstream infrastructure in the Barnett (the "2022 Barnett Assets") from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, for an adjusted cash purchase price of $627.5 million, plus additional contingent consideration of up to $50.0 million depending on future natural gas prices. In connection with the Exxon Barnett Acquisition, the Company entered into a Term Loan Credit Agreement with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent. On June 30, 2022, the Company borrowed $570.0 million of term loans under the Term Loan Credit Agreement to fund a portion of the purchase price and other costs and expenses associated with the Exxon Barnett Acquisition. Additionally, in March 2022, the Company borrowed $75.0 million under a Loan Agreement (the "$75 Million Loan Agreement") with Banpu North America Corporation ("BNAC"), which owns 96.1% of the Company's shares of common stock, to fund the deposit for the Exxon Barnett Acquisition.

The following unaudited pro forma condensed combined consolidated financial statements (the "pro forma financial statements") present the combination of the historical condensed consolidated financial statements of the Company, as adjusted to give effect to the Exxon Barnett Acquisition, the related financing under the Term Loan Credit Agreement and the $75 Million Loan Agreement (collectively the "Transaction"). The Exxon Barnett Acquisition was consummated on June 30, 2022 and, therefore, the 2022 Barnett Assets and related financing are included in the historical balance sheet of the Company as of September 30, 2022, together with the related indebtedness under the Term Loan Credit Agreement and the $75 Million Loan Agreement, and no pro forma balance sheet is presented. The unaudited pro forma condensed combined consolidated statements of operations (the "pro forma statements of operations") present the historical audited consolidated statements of operations of the Company for the year ended December 31, 2021 and the historical unaudited condensed consolidated statements of operations of the Company for the nine months ended September 30, 2022, in each case, after giving effect to the Transaction as if it had been consummated on January 1, 2021. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of revenues and expenses attributable to the 2022 Barnett Assets.

The pro forma financial statements were prepared in accordance with Article 11 of Regulation S-X under the Securities Act. The unaudited pro forma adjustments reflecting the Exxon Barnett Acquisition have been prepared in accordance with the acquisition method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*, which requires all assets acquired and liabilities assumed to be recorded at fair value at the acquisition date. The purchase price adjustments recorded on June 30, 2022 are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. For more information on the fair value of assets acquired and liabilities assumed see "*BKV Corporation Unaudited Condensed Consolidated Financial Statements* ." Upon consummation of the Transaction, management did not identify any differences in accounting policies that would have a material impact on the pro forma financial statements.

Certain of the historical amounts with respect to the 2022 Barnett Assets have been reclassified to conform to the Company's financial statement presentation.

Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the pro forma financial statements. In the Company's opinion, all adjustments that are necessary to present fairly the pro forma information have been made.

The pro forma financial statements are provided for illustrative purposes only and are not intended to represent what the Company's financial position or results of operations would have been had the Transaction occurred on the assumed date nor do they purport to project the future operating results or the financial position of the Company following the Transaction. The pro forma financial statements do not reflect projected synergies or future events that may occur after the Transaction, including, but not limited to, the anticipated realization of savings from potential operating efficiencies, asset dispositions, cost savings, or

economies of scale that the Company may achieve as a result of the Transaction or the costs that may be necessary to incur in order to achieve such synergies or savings.

The pro forma adjustments reflecting the consummation of the Transaction are based on certain currently available information and certain assumptions and methodologies that the Company believes are reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual results will differ from the pro forma adjustments and it is possible the difference may be material. The Company believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Transaction based on information available to management at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined consolidated financial information.

Additionally, the Company cannot assure that it will not incur charges in excess of those included in the pro forma total consideration related to the Transaction or that the Company's efforts to integrate the operations of the 2022 Barnett Assets will be successful.

The pro forma financial statements should be read in conjunction with " *Management's Discussion and Analysis of Financial Condition and Results of Operations*," as well as the Company's historical consolidated financial statements and related notes, the historical statements of revenues and direct operating expenses and related notes for the 2022 Barnett Assets acquired in the Exxon Barnett Acquisition and other financial information included elsewhere in this prospectus. Historical and pro forma results are not necessarily indicative of results that may be expected for any future period.

BKV CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(in thousands, except per share amounts)

	For the Nine Months Ended September 30, 2022	For the Six Months Ended June 30, 2022					
	BKV Corporation Historical	2022 Barnett Assets Historical	Transaction Accounting Adjustments[1]		Financing Adjustments		Pro Forma Combined
Revenues and other operating income / Revenues							
Natural gas, NGL and oil sales	$ 1,224,473	$ —	$ 219,232	(aa)	$ —		$1,443,705
Midstream revenues	6,080	—	3,621	(aa)	—		9,701
Derivative losses, net	(720,312)	—	—		—		(720,312)
Marketing revenues	7,197	—	—		—		7,197
Other	2,008	—	248	(aa)	—		2,256
Oil and condensate, gas and NGL sales	—	219,232	(219,232)	(aa)	—		—
Midstream operating revenues	—	3,621	(3,621)	(aa)	—		—
Other revenues	—	248	(248)	(aa)	—		—
Total revenues and other operating income / Total revenues	**519,446**	**223,101**	**—**		**—**		**742,547**
Operating expenses / Direct operating expenses							
Lease operating and workover	86,870	—	58,176	(aa)	—		145,046
Taxes other than income	86,164	—	10,696	(aa)	—		96,860
Gathering and transportation	153,281	—	25,321	(aa)	—		178,602
Accretion of asset retirement obligation	8,874	—	1,773	(dd)	—		10,647
Depreciation, depletion and amortization	68,606	—	24,642	(cc)	—		93,248
General and administrative	107,341	—	(5,100)	(bb)	—		102,241
Accretion of right of use liabilities	190	—	—		—		190
Lease operating expense	—	47,456	(47,456)	(aa)	—		—
Overhead costs	—	10,720	(10,720)	(aa)	—		—
Cost of goods sold	—	25,321	(25,321)	(aa)	—		—
Production and property taxes	—	10,696	(10,696)	(aa)	—		—
Total operating expenses / Total direct operating expenses	**511,326**	**94,193**	**21,315**		**—**		**626,834**
Income (loss) from operations / Revenues in excess of direct operating expenses	**8,120**	**128,908**	**(21,315)**		**—**		**115,713**
Other income and expense							
Loss on contingent consideration liabilities	(31,089)	—	—		—		(31,089)
Interest expense	(22,334)	—	—		(21,891)	(ee)	(44,225)
Other income	1,051	—	—		—		1,051
Bargain purchase gain	163,653	—	—		—		163,653
Gain on settlement of litigation	16,866	—	—		—		16,866
Earnings from equity affiliate	14,486	—	—		—		14,486
Interest income	382	—	—		—		382
Income (loss) from continuing operations before income taxes	**151,135**	**128,908**	**(21,315)**		**(21,891)**		**236,837**
Income tax benefit (expense)	2,989	—	(24,746)	(ff)	5,035	(gg)	(16,722)
Net income (loss) and comprehensive income (loss) attributable to BKV Corporation	**154,124**	**128,908**	**(46,061)**		**(16,856)**		**220,115**
Less accretion of preferred stock redemption value	—	—	—		—		—
Less preferred stock dividends	—	—	—		—		—
Less deemed dividend on redemption of preferred stock	—	—	—		—		—
Net income (loss) and comprehensive income (loss) attributable to common stockholders	**$ 154,124**	**$ 128,908**	**$ (46,061)**		**$ (16,856)**		**$ 220,115**
Net income (loss) and comprehensive income (loss) per common share:							
Basic	$ 1.31						$ 1.88 (hh)
Diluted	$ 1.24						$ 1.77 (hh)
Weighted average number of common shares outstanding:							
Basic	117,316						117,316
Diluted	124,597						124,597

(1) Upon consummation of the Transaction, management did not identify any differences in accounting policies that would have a material impact on the unaudited pro forma combined consolidated financial information.

BKV CORPORATION

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2021
(in thousands, except per share amounts)

	BKV Corporation Historical	2022 Barnett Assets Historical	Transaction Accounting Adjustments[1]		Financing Adjustments		Pro Forma Combined
Revenues and other operating income / Revenues							
Natural gas, NGL and oil sales	$ 829,745	$ —	$ 307,980	(aa)	$ —		$1,137,725
Non-operated midstream revenues	6,917	—	6,244	(aa)	—		13,161
Derivative (losses) gains, net	(383,847)	—	—		—		(383,847)
Marketing revenues	52,616	—	—		—		52,616
Other	251	—	267	(aa)	—		518
Oil and condensate, gas and NGL sales	—	307,980	(307,980)	(aa)	—		—
Midstream operating revenues	—	6,244	(6,244)	(aa)	—		—
Other revenues	—	267	(267)	(aa)	—		—
Total revenues and other operating income / Total revenues	**505,682**	**314,491**	**—**		**—**		**820,173**
Operating expenses / Direct operating expenses							
Lease operating and workover	88,105	—	97,748	(aa)	—		185,853
Taxes other than income	45,650	—	21,667	(aa)	—		67,317
Gathering and transportation	173,587	—	49,795	(aa)	—		223,382
Accretion of asset retirement obligation	10,030	—	3,586	(dd)	—		13,616
Depreciation, depletion and amortization	81,986	—	59,732	(cc)	—		141,718
Exploration and impairment	34	—	—		—		34
General and administrative	85,740	—	6,120	(bb)	—		91,860
Accretion of right of use liabilities	227	—	—		—		227
Lease operating expense	—	76,922	(76,922)	(aa)	—		—
Overhead costs	—	20,826	(20,826)	(aa)	—		—
Cost of goods sold	—	49,795	(49,795)	(aa)	—		—
Production and property taxes	—	21,667	(21,667)	(aa)	—		—
Total operating expenses / Total direct operating expenses	**485,359**	**169,210**	**69,438**		**—**		**724,007**
Income (loss) from operations / Revenues in excess of direct operating expenses	**20,323**	**145,281**	**(69,438)**		**—**		**96,166**
Other income and expense							
(Loss) gain on contingent consideration liabilities	(194,968)	—	—		—		(194,968)
Interest expense	(2,134)	—	—		(48,884)	(ee)	(51,018)
Other income	872	—	—		—		872
Income from equity affiliates	910	—	—		—		910
Interest income	8	—	—		—		8
Income (loss) from continuing operations before income taxes	**(174,989)**	**145,281**	**(69,438)**		**(48,884)**		**(148,030)**
Income tax benefit (expense)	40,526	—	(17,444)	(ff)	11,243	(gg)	34,325
Net income (loss) and comprehensive income (loss) attributable to BKV Corporation	**(134,463)**	**145,281**	**(86,882)**		**(37,641)**		**(113,705)**
Less accretion of preferred stock redemption value	(3,745)	—	—		—		(3,745)
Less preferred stock dividends	(9,900)	—	—		—		(9,900)
Less deemed dividend on redemption of preferred stock	(22,606)	—	—		—		(22,606)
Net income (loss) and comprehensive income (loss) attributable to common stockholders	**$ (170,714)**	**$ 145,281**	**$ (86,882)**		**$ (37,641)**		**$ (149,956)**
Net income (loss) and comprehensive income (loss) per common share:							
Basic	$ (1.46)						$ (1.28)(hh)
Diluted	$ (1.46)						$ (1.28)(hh)
Weighted average number of common shares outstanding:							
Basic	116,904						116,904
Diluted	116,904						116,904

(1) Upon consummation of the Transaction, management did not identify any differences in accounting policies that would have a material impact on the unaudited pro forma combined consolidated financial information.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. Basis of Presentation

The accompanying pro forma financial information was prepared based on the historical condensed consolidated financial statements of the Company and the historical statements of revenues and direct operating expenses for the 2022 Barnett Assets acquired in the Exxon Barnett Acquisition. The pro forma financial statements were prepared in accordance with GAAP and Article 11 of Regulation S-X under the Securities Act. The Exxon Barnett Acquisition was consummated on June 30, 2022 and, therefore, the 2022 Barnett Assets are included in the historical balance sheet of the Company at fair value as of September 30, 2022, together with the related indebtedness under the Term Loan Credit Agreement and the $75 Million Loan Agreement, and no pro forma balance sheet is presented. Additionally, as the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of revenues and expenses attributable to the 2022 Barnett Assets.

The fair value of assets acquired and liabilities assumed and the fair value of contingent consideration as of June 30, 2022, the date the acquisition was completed, are as follows (in thousands):

Cash	$ 627,527
Contingent consideration	17,150
Total consideration	$ 644,677
Assets acquired and liabilities assumed:	
Inventory	150
Natural gas properties-developed	664,665
Midstream assets	254,813
Other property and equipment	8,907
Property taxes	(9,039)
Deferred tax liability	(49,789)
Revenues payable	(16,612)
Asset retirement obligations	(44,765)
Total identifiable net assets	$ 808,330
Bargain purchase gain	$(163,653)

The pro forma statements of operations present the historical audited consolidated statements of operations of the Company for the year ended December 31, 2021 and the historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022, in each case, after giving effect to the Transaction as if it had been consummated on January 1, 2021.

NOTE 2. Adjustments to the Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

The pro forma adjustments reflected in the pro forma statements of operations are based on preliminary estimates and assumptions that are subject to change. The following adjustments have been reflected in the pro forma statements of operations:

(aa) Certain reclassification adjustments have been made to conform historical direct revenues and operating expenses with respect to the 2022 Barnett Assets to the financial statement presentation method of the Company.

- Reclassification of 2022 Barnett Assets historical Oil and condensate, gas and NGL sales to Natural gas, NGL and oil sales to conform with the Company’s presentation of upstream revenues.
- Reclassification of 2022 Barnett Assets historical Midstream operating revenues to Non-operated midstream revenues to conform with the Company’s presentation of midstream revenues.

- Reclassification of 2022 Barnett Assets historical Other revenues to Other to conform with the Company's presentation of other revenues.
- Reclassification of 2022 Barnett Assets historical Lease operating expense to Lease operating and workover to conform with the Company's presentation of lease operating and workover expense.
- Reclassification of 2022 Barnett Assets historical Overhead costs to Lease operating and workover to conform with the Company's presentation of lease operating and workover expense.
- Reclassification of 2022 Barnett Assets historical Cost of goods sold to Gathering and transportation expense to conform with the Company's presentation of gathering and transportation expense.
- Reclassification of 2022 Barnett Assets historical Production and property taxes to Taxes other than income to conform with the Company's presentation of Taxes other than income.

Upon consummation of the Transaction, management did not identify any differences in accounting policies that would have a material impact on the pro forma statements of operations.

(bb) Reflects the non-recurring transition services expense under the terms of the Transition Service Agreement, entered into between the Company and XTO Energy, Inc. in connection with the Exxon Barnett Acquisition. Under the terms of the Transition Services Agreement, XTO Energy Inc. agreed to provide certain services to the Company to aid in the transitional period from July 1, 2022 through October 31, 2022. Services include marketing, accounting and tax, information systems, division orders, ownership changes, compliance and land administration. Transition services expenses of $5.1 million were incurred and included in the historical income statement of the Company for the nine months ended September 30, 2022, these actual costs have been reversed from the nine months ended September 30, 2022 and are reflected in the year ended December 31, 2021. An additional $1.0 million of transaction services expenses were incurred subsequent to September 30, 2022, which have been reflected in the year ended December 31, 2021.

(cc) Reflects the pro forma depreciation, depletion and amortization expense based on the preliminary purchase price allocation. The historical financial statements for the 2022 Barnett Assets did not include historical depreciation, depletion and amortization due to the abbreviated presentation. As a result, this adjustment reflects the full go forward expense related to these items based on the fair value of the assets acquired as of June 30, 2022 and the relevant remaining useful life of those assets.

Depletion for natural gas properties is calculated using the units of production method of accounting for oil and gas properties. Pro forma depletion expense for the year ended December 31, 2021 and the nine months ended September 30, 2022 was $51.4 million and $20.5 million, respectively. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of depletion expense attributable to the 2022 Barnett Assets. Therefore, the pro forma depletion expense for the nine months ended September 30, 2022 represents depletion expense attributable to the 2022 Barnett Assets for the six months ended June 30, 2022. Pro forma depletion expense for the year ended December 31, 2021 was calculated based on production volumes attributable to the natural gas properties in the 2022 Barnett Assets and the depletion rate reflecting the reserve volumes acquired.

Depreciation and amortization expense for other property and equipment is calculated using the straight line method. Pro forma depreciation and amortization expense for the year ended December 31, 2021 and the nine months ended September 30, 2022 was $8.3 million and $4.1 million, respectively. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of depreciation and amortization expense attributable to the 2022 Barnett Assets. Therefore, the pro forma depreciation and amortization expense for the nine months ended September 30, 2022 represents depreciation and amortization expense attributable to the 2022 Barnett Assets for the six months ended June 30, 2022. The following table sets forth a listing of useful lives for other property and equipment:

	Useful Life
Pipelines	40 years
Compressors	25 years
Buildings	39 years
Furniture, fixtures, equipment, vehicles and other	5 years
Computer hardware and software	3 – 5 years

(dd) Reflects the pro forma accretion expense based on the preliminary purchase price allocation of the estimated fair value of the acquired proved natural gas properties included in the 2022 Barnett Assets. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of accretion expense attributable to the 2022 Barnett Assets. Therefore, the pro forma accretion expense for the nine months ended September 30, 2022 represents accretion expense attributable to the 2022 Barnett Assets for the six months ended June 30, 2022. The present value of the estimated asset retirement obligation associated with the acquired natural gas producing properties as of September 30, 2022 is $45.6 million, which was calculated using an interest rate of 8.01%, inflation rate of 2.50% and the expected remaining useful life of each well, estimated as a range of 5 – 50 years.

(ee) Reflects the impact of the interest expense, inclusive of debt issuance cost amortization, that would have been recognized as a result of the incurrence of $570.0 million in new debt under the Term Loan Credit Agreement used to fund a portion of the purchase price for the Exxon Barnett Acquisition and other costs and expenses associated with the acquisition, as well as the issuance of the $75 Million Loan Agreement with BNAC used to fund the deposit on the Exxon Barnett Acquisition.

The term loans mature five years after their initial incurrence and require the prepayment of 20% of their original principal amount on each anniversary of their initial incurrence. Loans under the Term Loan Credit Agreement bear interest at six-month term SOFR plus a credit spread adjustment of 0.10%, plus 4.75% per annum. The interest rate used for pro forma purposes is 7.43%, based on the six-month term SOFR on June 22, 2022 (established prior to funding). Pursuant to the terms of the Term Loan Credit Agreement, the rate will be adjusted every six months. As a result, the actual interest rate could vary for the year ended December 31, 2021 and the nine months ended September 30, 2022, and a one-eighth of a percent variance in the interest rate would cause a change in interest expense of approximately $0.7 million and $0.4 million, respectively.

The $75 Million Loan Agreement matures five years after the initial incurrence and requires repayment of 20% of the original principal amount on each anniversary of the initial incurrence. The $75 Million Loan Agreement bears interest at six-month term SOFR plus 5.25% per annum. The interest rate used for pro forma purposes is 5.30%, based on the six-month term SOFR on March 10, 2022 (established prior to funding). The actual interest rate could vary for the year ended December 31, 2021 and the nine months ended September 30, 2022, and a one-eighth of a percent variance in the interest rate would cause a change in interest expense by an immaterial amount.

(in thousands)	Nine Months Ended September 30, 2022	Year Ended December 31, 2021
Term Loan Credit Agreement		
Interest expense calculated for the period	$ 32,119	$ 42,943
Less: Actual interest expense included in historical financial statements	(11,648)	—
Adjustment related to incremental interest expense [(1)]	$ 20,471	$ 42,943
$75 Million Loan Agreement		
Interest expense calculated for the period	$ 3,014	$ 4,030
Less: Actual interest expense included in historical financial statements	(2,197)	—
Adjustment related to incremental interest expense	$ 817	$ 4,030

(1) Excludes debt issuance cost amortization for the nine months ended September 30, 2022 and year ended December 31, 2021 of $0.6 million and $1.9 million, respectively. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of debt issuance cost amortization attributable to the 2022 Barnett Assets. Therefore, the pro forma debt issuance cost amortization for the nine months ended September 30, 2022 represents debt issuance cost amortization attributable to the 2022 Barnett Assets for the six months ended June 30, 2022.

(ff) Reflects the adjustment for the income tax provision for transaction accounting adjustments related to the nine months ended September 30, 2022 and for the year ended December 31, 2021 of $24.7 million expense and $17.4 million expense, respectively. Income tax impacts of transaction accounting adjustments include adjustments to record depreciation, depletion and amortization (see adjustment (cc) above), accretion of asset retirement obligation (see adjustment (dd) above), and reflects estimated incremental income tax provision associated with the pro forma results of operations assuming the 2022 Barnett Asset's earnings had been subject to federal and state income tax. The pro forma estimated blended statutory rate for the periods presented is 23.0%. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of income tax expense attributable to the ongoing operations of the 2022 Barnett Assets. Therefore, the pro forma income tax expense for the nine months ended September 30, 2022 represents income tax expense attributable to the ongoing operations of the 2022 Barnett Assets for the six months ended June 30, 2022.

(gg) Reflects the adjustment for the income tax provision for financing adjustments related to the nine months ended September 30, 2022 and for the year ended December 31, 2021 of $5.0 million benefit and $11.2 million benefit, respectively. The pro forma estimated blended statutory rate used for the periods presented is 23.0%. As the Exxon Barnett Acquisition was consummated on June 30, 2022, the Company's historical unaudited condensed consolidated statements of operations for the nine months ended September 30, 2022 include three months of income tax benefit attributable to the financing of the 2022 Barnett Assets. Therefore, the pro forma income tax benefit for the nine months ended September 30, 2022 represents income tax benefit attributable to the financing of the 2022 Barnett Assets for the six months ended June 30, 2022.

(hh) The pro forma adjustments on the Company's common stock and basic and diluted earnings per share are summarized below (in thousands except per share amounts):

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021
Pro forma basic EPS		
Numerator		
Basic combined pro forma net income (loss) attributable to Company common stockholders	$ 220,115	$ (149,956)
Denominator		
Historical basic weighted average Company shares outstanding	117,316	116,904
Pro forma basic weighted average Company shares outstanding	117,316	116,904
Pro forma basic net income (loss) per share attributable to Company common stockholders	$ 1.88	$ (1.28)
Pro forma diluted EPS		
Numerator		
Diluted combined pro forma net income (loss) attributable to Company common stockholders	$ 220,115	$ (149,956)
Denominator		
Historical diluted weighted average Company shares outstanding	124,597	116,904
Pro forma diluted weighted average Company shares outstanding	124,597	116,904
Pro forma diluted net income (loss) per share attributable to common Company stockholders	$ 1.77	$ (1.28)

NOTE 3. Supplemental Pro Forma Oil and Gas Reserves Information

Natural Gas, NGL and Oil Reserve Quantities

The following tables present the estimated pro forma combined net proved developed and undeveloped natural gas, NGLs and oil reserves information as of December 31, 2021, along with a summary of changes in quantities of net remaining proved reserves during the year ended December 31, 2021.

The following estimated pro forma combined natural gas, NGLs and oil reserves information is not necessarily indicative of the results that might have occurred had the Transactions been completed on January 1, 2021 and is not intended to be a projection of future results. Future results may vary significantly from the results reflected because of various factors, including those discussed in the section entitled "*Risk Factors*" within this prospectus.

The Company's estimates of total proved reserves at December 31, 2021 were based on studies performed by the Company's internal engineering function, and Ryder Scott, the Company's third-party reserve engineer. The estimates were computed using the 12-month average index price, calculated as the unweighted arithmetic average for the first day of the month price for each month during the year. The estimates were prepared by the Company's independent third party engineers, Ryder Scott. The process of estimating quantities of "proved" and "proved developed" natural gas, NGL and oil reserves is very complex, requiring significant subjective decisions in the evaluation of all available geological, engineering, and economic data. The process also includes estimating the net cost of abandonment after salvage and was estimated and included for all properties for which an asset retirement obligation exists. The data may change substantially over time as a result of numerous factors including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions. As a result, revisions to existing reserve estimates may occur from time to time. Although every reasonable effort is made to ensure that reserve estimates reported represent the most accurate assessments possible, the subjective decisions and variances in available data make these estimates generally less precise than other estimates included within the consolidated financial statements.

The estimates of proved natural gas, NGL and oil reserves from the Exxon Barnett Acquisition has been completed in accordance with professional engineering standards. The estimates also include the net cost of abandonment after salvage and was included for all properties for which an asset retirement obligation exists. The estimates of proved natural gas, NGL and oil reserves were prepared by the Company's petroleum engineers for the year ended December 31, 2021. Those proved reserves estimates were calculated by adding back production (rolled back) and adjusting for pricing from a reserve report prepared by Ryder Scott, as of June 30, 2022.

	Natural Gas			
	BKV Corporation Historical (MMcf)	2022 Barnett Assets Historical (MMcf)	Pro Forma Combined (MMcf)	Pro Forma Combined (MMcfe)
Balance December 31, 2020	1,985,532	661,897	2,647,429	2,647,429
Revision for previous estimates	828,360	359,153	1,187,513	1,187,513
Extensions and discoveries	645,338	—	645,338	645,338
Purchase of minerals in place	19,511	—	19,511	19,511
Improved recoveries	152,597	—	152,597	152,597
Production	(186,055)	(74,076)	(260,131)	(260,131)
Balance December 31, 2021	3,445,283	946,974	4,392,257	4,392,257
Proved developed reserves as of:				
December 31, 2020	1,893,158	661,897	2,555,055	2,555,055
December 31, 2021	2,494,925	946,974	3,441,899	3,441,899
Proved undeveloped reserves as of:				
December 31, 2020	92,374	—	92,374	92,374
December 31, 2021	950,358	—	950,358	950,358

	NGL			
	BKV Corporation Historical (MBbls)	2022 Barnett Assets Historical (MBbls)	Pro Forma Combined (MBbls)	Pro Forma Combined (MMcfe)
Balance December 31, 2020	107,234	12,827	120,061	720,366
Revision for previous estimates	45,234	6,807	52,041	312,246
Extensions and discoveries	13,722	—	13,722	82,332
Purchase of minerals in place	—	—	—	—
Improved recoveries	8,794	—	8,794	52,764
Production	(9,829)	(1,283)	(11,112)	(66,672)
Balance December 31, 2021	165,155	18,351	183,506	1,101,036
Proved developed reserves as of:				
December 31, 2020	107,234	12,827	120,061	720,366
December 31, 2021	151,433	18,351	169,784	1,018,704
Proved undeveloped reserves as of:				
December 31, 2020	—	—	—	
December 31, 2021	13,722	—	13,722	82,332

	Oil			
	BKV Corporation Historical (MBbls)	2022 Barnett Assets Historical (MBbls)	Pro Forma Combined (MBbls)	Pro Forma Combined (MMcfe)
Balance December 31, 2020	723	125	848	5,088
Revision for previous estimates	258	77	335	2,010
Extensions and discoveries	58	—	58	348
Purchase of minerals in place	—	—	—	—
Improved recoveries	9	—	9	54
Production	(123)	(18)	(141)	(846)
Balance December 31, 2021	925	184	1,109	6,654
Proved developed reserves as of:				
December 31, 2020	723	125	848	5,088
December 31, 2021	867	184	1,051	6,306
Proved undeveloped reserves as of:				
December 31, 2020	—	—	—	—
December 31, 2021	58	—	58	348

	Pro Forma Combined (MMcfe)			
	Natural Gas	NGL	Oil	Total
Balance December 31, 2020	2,647,429	720,366	5,088	3,372,883
Revision for previous estimates	1,187,513	312,246	2,010	1,501,769
Extensions and discoveries	645,338	82,332	348	728,018
Purchase of minerals in place	19,511	—	—	19,511
Improved recoveries	152,597	52,764	54	205,415
Production	(260,131)	(66,672)	(846)	(327,649)
Balance December 31, 2021	4,392,257	1,101,036	6,654	5,499,947
Proved developed reserves as of:				
December 31, 2020	2,555,055	720,366	5,088	3,280,509
December 31, 2021	3,441,899	1,018,704	6,306	4,466,909
Proved undeveloped reserves as of:				
December 31, 2020	92,374	—	—	92,374
December 31, 2021	950,358	82,332	348	1,033,038

2021 Activity

During the year ended December 31, 2021, the pro forma combined proved reserves increased by 2,127.1 Bcfe. The increase in proved reserves was primarily due to increasing commodity pricing improving economics, and additions to the drilling schedule for both proved developed and undeveloped reserves. The pro forma combined production for the year ended December 31, 2021 was 327.6 Bcfe.

Revisions of previous estimates primarily consisted of upward revisions to proved developed reserves and proved undeveloped reserves of 1,116.4 Bcfe and 245.6 Bcfe, respectively, as a result of higher average pricing during 2021 for natural gas, NGLs and oil. The remaining upward adjustment of 139.8 Bcfe relates to upward performance adjustments to proved developed reserves of 219.2 Bcfe offset by a downward revision to proved developed reserves of 79.4 Bcfe due to increased production costs.

Extensions and discoveries increased as a result of the completion of our evaluation of properties acquired through our Barnett Asset Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 143.2 Bcfe related to 13.0 gross (9.6 net) locations in

the Marcellus Basin recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 34.8 Bcfe consisted of 14 gross (5.9 net) newly drilled wells.

Improved recoveries consisted of 205.4 Bcfe of proved developed reserves recognized as a result of the application of improved recovery techniques to producing wells during the year ended December 31, 2021.

Standardized Measure of Discounted Future Net Cash Flows

The following tables present the estimated pro forma discounted future net cash flows at December 31, 2021. The pro forma standardized measure information set forth below gives effect to the Transaction as if the Transaction had been completed on January 1, 2021. With respect to the disclosures below for BKV Corporation and the Exxon Barnett Acquisition, the amounts were determined by referencing the "Unaudited Supplemental Oil and Gas Disclosures" reported in BKV Corporation's annual financial statements for the year ended December 31, 2021 and the ExxonMobil Barnett Assets statements of revenues and direct operating expenses and related notes, included in this prospectus. See "*Where You Can Find More Information*" within this prospectus. The calculations assume the continuation of existing economic, operating and contractual conditions at December 31, 2021.

Therefore, the following estimated pro forma standardized measure is not necessarily indicative of the results that might have occurred had the Transactions been completed on January 1, 2021 and is not intended to be a projection of future results. Future results may vary significantly from the results reflected herein and because of various factors, including those discussed in the section entitled "*Risk Factors*" within this prospectus.

Discounted Future Net Cash Flows

The standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves for the year ended December 31, 2021 are as follows:

	For the Year Ended December 31, 2021		
(in thousands)	**BKV Corporation Historical**	**2022 Barnett Assets Historical**	**Pro Forma Combined**
Future cash inflows	$ 15,029,839	$ 2,724,244	$17,754,083
Future production costs	(6,840,969)	(1,190,931)	(8,031,900)
Future development costs[(1)]	(1,051,911)	(121,966)	(1,173,877)
Income tax expense	(1,501,984)	(14,302)	(1,516,286)
Future net cash flows	5,634,975	1,397,045	7,032,020
10% annual discount for estimated timing of cash flows	(3,222,086)	(688,067)	(3,910,153)
Standardized measure of discounted future net cash flows related to proved reserves	$ 2,412,889	$ 708,978	$ 3,121,867

(1) Includes abandonment costs.

Sources of Change in Discounted Future Net Cash Flows

The changes in the pro forma standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves for the year ended December 31, 2021 are as follows:

	For the Year Ended December 31, 2021		
(in thousands)	BKV Corporation Historical	2022 Barnett Assets Historical	Pro Forma Combined
Beginning of period	$ 510,410	$ 26,375	$ 536,785
Net change in sales and transfer prices and in production (lifting) costs related to future production	1,768,893	574,114	2,343,007
Changes in estimated future development costs	(393,235)	148	(393,087)
Sales and transfers of natural gas, NGLs and oil produced during the period	(522,403)	(188,565)	(710,968)
Net change due to extensions, discoveries and improved recovery	183,332	—	183,332
Purchase of minerals in place	19,050	—	19,050
Net change due to revisions in quantity estimates	1,266,086	278,939	1,545,025
Previously estimated development costs incurred during the period	60,406	—	60,406
Net change in future income taxes	(611,031)	(4,558)	(615,589)
Accretion of discount	56,096	2,815	58,911
Changes in timing and other	75,285	19,710	94,995
End of period	$ 2,412,889	$ 708,978	$3,121,867

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our historical consolidated financial statements and related notes included elsewhere in this prospectus. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expectations. "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" (included elsewhere in this prospectus) contain important information. We disclaim any duty to publicly update any forward-looking statements except as otherwise required by applicable law.

In this section, references to "BKV," the "Company," "we," "us," and "our" refer to BKV Corporation and its subsidiaries, unless otherwise indicated or the context otherwise requires. For more information on our organizational structure, see "Note 1 — General Information" to our historical consolidated financial statements included elsewhere in this prospectus.

Overview

We are a forward thinking, growth driven energy company focused on creating value for our stockholders through the organic development of our properties as well as accretive acquisitions. Our core business is to produce natural gas from our owned and operated upstream businesses, which we expect to achieve net zero Scope 1 and Scope 2 emissions by the end of 2025. We maintain a "closed-loop" approach to our net zero emissions goal with our four business lines: natural gas production, natural gas gathering, processing and transportation, power generation and CCUS. We are committed to building a vertically integrated business to reduce costs and improve overall commercial optimization of the full value chain. For instance, our natural gas production in the Barnett is gathered and transported through our midstream systems, and we are seeking to establish arrangements to supply our natural gas production directly to the BKV-BPP Power Joint Venture. Our business is operated as one reportable segment.

Recent Developments

Barnett Zero CCUS Project with EnLink

On June 8, 2022, BKV dCarbon Ventures and EnLink reached FID to develop our first CCUS project and entered into a definitive agreement to dispose of, and geologically sequester, CO_2 generated as a byproduct of the production of our natural gas in the Barnett and will utilize our newly acquired BKV Midstream assets. This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production, which we expect to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We currently estimate the total investment required by us for the Barnett Zero Project to be between $20.0 and $22.0 million. We are targeting commencement of CO_2 sequestration activities by the second half of 2023, subject to our ability to secure all required permits, at which point we expect this project will be one of the first permanent commercial CO_2 disposal and sequestration projects to come online in the United States. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 8%, bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025.

Exxon Barnett Acquisition

On June 30, 2022, we closed the acquisition (the "Exxon Barnett Acquisition") of natural gas upstream and associated midstream infrastructure in the Barnett from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, for a total purchase price of $750.0 million, plus additional contingent consideration of up to $50.0 million depending on future natural gas prices. Pursuant to the Exxon Barnett Acquisition, we acquired approximately 175,000 total net acres that are approximately 99% held by production, primarily in Tarrant, Johnson and Parker counties, and additional smaller positions in Jack, Wise, Denton, Erath, Hood and Ellis counties, Texas. These upstream assets include low decline wells, ideal for delivering consistent cash flow, and high average working interests of approximately 94% in over 2,100 operated wells. The Exxon Barnett Acquisition also included approximately 778 miles of gathering pipelines and compression and processing midstream infrastructure with, as of September 30, 2022, over

450 MMcf/d of throughput capacity and approximately 26 MMcf/d of third-party production being gathered on the system. In connection with the Exxon Barnett Acquisition, we entered into the Term Loan Credit Agreement with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent. The Term Loan Credit Agreement includes up to $600.0 million of commitments for term loans to be used solely to fund a portion of the purchase price for the Exxon Barnett Acquisition and other costs and expenses associated with the acquisition. As of November 17, 2022, there was $570.0 million in aggregate principal amount outstanding under the Term Loan Credit Agreement. See "*— Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Term Loan Credit Agreement*" for more information.

Amendment to Derivative Agreement

On August 4, 2022, we entered into an amendment to our ISDA Master Agreement with a counterparty to our derivative contracts pursuant to which we agreed to terminate or novate, at our election, at least $100.0 million of our derivative contracts. As of September 9, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. We intend to make the remaining payment with cash flows from operations. See "*Note 13 — Credit and Other Risk*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding this agreement.

CCUS Project Development with Verde CO2

On August 22, 2022, we entered into a development agreement with Verde CO2 to identify, evaluate and develop CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration. Pursuant to the development agreement, Verde CO2 will be responsible for the sourcing, development, performance and ongoing management of such CCUS projects and BKV dCarbon Ventures will provide funding for such projects. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement, and we currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations.

Revolving Credit Agreement

On August 24, 2022, we entered into the Revolving Credit Agreement with Bangkok Bank Public Company Limited (New York Branch), as the administrative agent and sole initial lender, and on November 11, 2022, we entered into the First Amendment to Revolving Credit Agreement. The Revolving Credit Agreement includes $100.0 million of commitments for unsecured revolving loans used for short-term working capital and operating needs. As of November 17, 2022, $45.0 million in aggregate principal amount was outstanding under the Revolving Credit Agreement. See "*— Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Revolving Credit Agreement*" for more additional information regarding the Revolving Credit Agreement.

Cotton Cove CCUS Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or

hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described in "— *Carbon Capture, Utilization and Sequestration*." As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025. See "*Business — Path to Net Zero Emissions*."

Letter of Intent with EEMNA

On November 11, 2022, we entered into a non-binding letter of intent with EEMNA to build a framework for verifiable environmental attributes with the use of carbon credits applied to natural gas energy. Under this framework, we intend to measure, reduce and verify emissions using operational technologies, such as continuous emissions monitoring. In addition, we expect to deliver sequestered carbon credits from our CCUS business to EEMNA under this marketing program. Project Canary, an environmental certification and ESG data company, will reconcile sensing technologies and measure, analyze, and report the environmental attributes of the sequestrated carbon to support decarbonization. This initiative strives to provide a market in which an LNG buyer, gas utility, power utility or other end-user can purchase measured and verified sequestrated carbon credits from a single, trusted company. These carbon credits would not apply toward a reduction of our own Scope 1, 2 or 3 owned and operated upstream emissions. We anticipate eventually selling to EEMNA, for marketing to end-users, net zero natural gas that incorporates measured, sequestrated carbon credits derived from our CCUS business.

Operational and Financial Highlights

Below are some highlights of our operating and financial results for the nine months ended September 30, 2022 and 2021 and the years ended December 31, 2021 and 2020:

- Production of natural gas, NGLs, and oil was approximately 197.4 Bcfe and 178.2 Bcfe during the nine months ended September 30, 2022 and 2021, respectively. Production of natural gas, NGLs and oil was approximately 245.8 Bcfe and 111.7 Bcfe during the years ended December 31, 2021 and 2020, respectively.
- Average realized product prices were $6.20 per Mcfe and $2.90 per Mcfe for the nine months ended September 30, 2022 and 2021, respectively. Average realized product prices were $3.38 per Mcfe and $1.03 per Mcfe for the years ended December 31, 2021 and 2020, respectively.
- For the nine months ended September 30, 2022 and 2021, production revenues were $1,224.5 million and $516.4 million, respectively, and midstream revenues were $6.1 million and $5.5 million, respectively. For the years ended December 31, 2021 and 2020, production revenues were $829.7 million and $115.0 million, respectively, and midstream revenues were $6.9 million and $7.5 million, respectively.
- Lease operating expense was $82.0 million, or $0.42 per Mcfe, and $60.9 million, or $0.34 per Mcfe, for the nine months ended September 30, 2022 and 2021, respectively. For the years ended December 31, 2021 and 2020, lease operating expense was $84.3 million, or $0.34 per Mcfe, and $30.1 million, or $0.27 per Mcfe, respectively.

- Net income for the nine months ended September 30, 2022 was $154.1 million, and net loss for the nine months ended September 30, 2021 was $375.9 million. Net loss for the years ended December 31, 2021 and 2020 was $170.7 million and $43.8 million, respectively.
- Net cash provided by operating activities for the nine months ended September 30, 2022 and 2021 was $231.1 million and $274.5 million, respectively. Net cash provided by operating activities for the year ended December 31, 2021 was $358.1 million, and net cash used in operating activities for the year ended December 31, 2020 was $7.4 million.
- Adjusted EBITDAX was $332.5 million and $237.4 million for the nine months ended September 30, 2022 and 2021, respectively. Adjusted EBITDAX was $281.0 million and $65.1 million for the years ended December 31, 2021 and 2020, respectively.
- Adjusted Free Cash Flow was approximately $143.0 million and $89.1 million for the nine months ended September 30, 2022 and 2021, respectively. Adjusted Free Cash Flow was approximately $165.1 million and $56.6 million for the years ended December 31, 2021 and 2020, respectively.
- Net cash used in investing activities was $756.3 million for the nine months ended September 30, 2022, $627.5 million of which was used to acquire assets in the Exxon Barnett Acquisition. The remaining cash outflow included $125.0 million attributable to development activities and $3.7 million of other investing activities. Net cash used in investing activities was $161.9 million for the year ended December 31, 2021, $88.4 million of which was used on the initial investment in the BKV-BPP Power Joint Venture. The remaining $73.5 million included $63.9 million attributable to development activities and $7.6 million for developed property and undeveloped acreage acquisition.
- During the year ended December 31, 2021 we paid a dividend to common stockholders of $88.1 million, or $0.75 per share of our common stock. No dividends were paid during the nine months ended September 30, 2022.

Adjusted EBITDAX and Adjusted Free Cash Flow are not financial measures calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See "*Prospectus Summary — Summary Historical Financial Information — Non-GAAP Financial Measures"* below for a description of each of these measures and a reconciliation of each of these measures to their most directly comparable GAAP measure.

Market Outlook

The natural gas and NGL industry is cyclical and commodity prices are highly volatile. According to the EIA, during the period from January 1, 2021 through September 30, 2022, the Henry Hub natural gas spot price reached a high of $23.86 per MMBtu on February 17, 2021 and a low of $2.43 per MMBtu on April 5, 2021. Since the Russia-Ukraine conflict first commenced, Henry Hub natural gas spot prices have trended higher, rising from $4.78 per MMBtu on February 24, 2022 to a high of $9.85 per MMBtu on August 22, 2022, according to the EIA.

We expect the natural gas and NGL markets will continue to be volatile in the future. Our revenue, profitability and future growth are highly dependent on the prices we receive for our natural gas and NGL production. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — The volatility of natural gas and NGL prices due to factors beyond our control may materially and adversely affect our business, financial condition or results of operations, and our ability to make required capital expenditures, meet our debt service obligations and other financial commitments and to pay dividends on our common stock*."

Although inflation in the United States had been relatively low for many years, there was a significant increase in inflation beginning in the second half of 2021, which has continued into 2022, due to a substantial increase in the money supply, a stimulation focused fiscal policy, a significant rebound in consumer demand as COVID-19 restrictions were relaxed, the Russia-Ukraine war and worldwide supply chain disruptions resulting from the economic contraction caused by COVID-19 and lockdowns followed by a rapid recovery. Inflation rose from 5.4% in June 2021 to 7.0% in December 2021 to 8.2% in September 2022. Global, industry-wide supply chain disruptions have resulted in widespread shortages of labor, materials and services. Such shortages have resulted in our facing significant cost increases for labor, materials and

services. We do not expect these shortages and cost increases to reverse in the short term. Typically, as prices for natural gas, NGLs and oil increase, so do associated costs. Conversely, in a period of declining prices, associated cost declines are likely to lag and may not adjust downward in proportion to prices. We cannot predict the future inflation rate but to the extent inflation remains elevated, we may experience further cost increases in our operations, including costs for drill rigs, workover rigs, hydraulic fracturing fleets, tubulars and other well equipment, as well as increased labor costs. If we are unable to recover higher costs through higher commodity prices, our current revenue stream, estimates of future reserves, impairment assessments of natural gas and oil properties, and values of properties in purchase and sale transactions would all be significantly impacted. The recent increase to prices for natural gas, NGLs and oil have more than offset the inflationary related increases to our costs. However, we are monitoring the situation and assessing its impact on our business, including to our customers and our partners. These inflationary pressures are not expected to have a significant impact on our liquidity position when considered in isolation or when combined with the impact of rising interest rates on our variable rate debt. We expect to continue to achieve our business strategy by remaining vigilant in maintaining a disciplined financial strategy and in optimizing the value of our core business.

How We Evaluate Our Business

We use a variety of financial and operational metrics to assess performance of our operations, including:

- Adjusted EBITDAX;
- Upstream Reinvestment Rate;
- Adjusted Free Cash Flow;
- Adjusted Free Cash Flow Margin;
- Production Volume; and
- Total Net Leverage Ratio.

Adjusted EBITDAX. We define Adjusted EBITDAX as net income (loss) before (1) non-cash derivative gain (loss), (2) accretion of asset retirement obligation, (3) accretion of right of use liability, (4) depreciation, depletion, and amortization, (5) exploration and impairment expense, (6) (loss) gain on contingent consideration liabilities, (7) interest expense, (8) income tax benefit (expense), (9) equity-based compensation expense, (10) bargain purchase gains, (11) income from equity affiliates, (12) early settlement of derivative contracts and (13) other nonrecurring transactions. Adjusted EBITDAX is a supplemental non-GAAP financial measure that is used by our management and external users of our consolidated financial statements, such as industry analysts, investors, lenders, rating agencies and others to more effectively evaluate our operating performance and results of operation from period to period and against our peers. We believe Adjusted EBITDAX is a useful performance measure because it allows us to effectively evaluate our operating performance and results of operation from period to period and against our peers, without regard to our financing methods, corporate form or capital structure. See "*Prospectus Summary — Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of Adjusted EBITDAX and for a reconciliation of Adjusted EBITDAX to net loss, its most directly comparable GAAP measure.

Upstream Reinvestment Rate. Upstream Reinvestment Rate for any period is our total cash paid for upstream capital expenditures (excluding leasehold costs and acquisitions) for such period as a percentage of Adjusted EBITDAX for the same period. We use this metric to evaluate from period to period the efficient use of our upstream capital expenditures to maintain or grow our upstream production. We target an Upstream Reinvestment Rate of 40% or less to allow for funding of strategic initiatives. In addition, we target a Maintenance Reinvestment Rate of less than 30%.

Adjusted Free Cash Flow. We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities excluding changes in operating assets and liabilities, less total cash paid for capital expenditures and settlement of contingent consideration (excluding leasehold costs and acquisitions). Adjusted Free Cash Flow is a supplemental non-GAAP financial measure that is used by our management and other external users of our financial statements, such as industry analysts, investors, lenders, rating

agencies and others to assess our ability to internally fund our capital program, service or incur additional debt and to pay dividends. We believe Adjusted Free Cash Flow is a useful liquidity measure because it allows us and others to compare cash flow provided by operating activities across periods and to assess our ability to internally fund our capital program (including acquisitions), to reduce leverage, fund acquisitions and pay dividends to our stockholders. See "*Prospectus Summary — Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of Adjusted Free Cash Flow and for a reconciliation of Adjusted Free Cash Flow to net loss and net cash provided by (used in) operating activities, its most directly comparable GAAP measures.

Adjusted Free Cash Flow Margin. We define Adjusted Free Cash Flow Margin as the ratio of Adjusted Free Cash Flow for any period to total revenues, excluding derivative gains and losses, for such period. We use this metric to assess our liquidity relative to our revenues. Adjusted Free Cash Flow Margin illustrates the efficiency with which the Company generates Adjusted Free Cash Flow.

Production Volume. Production Volume for any period is defined as the volume of natural gas, NGLs or oil we extract from our Barnett and NEPA natural gas properties. We use this metric to monitor the efficiency and effectiveness of our upstream operations.

Total Net Leverage Ratio. Total Net Leverage Ratio is the ratio of our total debt less cash and cash equivalents to Adjusted EBITDAX. We use this metric to evaluate our total debt relative to our ability to generate cash through Adjusted EBITDAX. We target a Total Net Leverage Ratio of 1.0x or less to ensure adequate liquidity to meet debt obligations and a low debt burden to protect Adjusted Free Cash Flow. This metric also provides management with a benchmark of debt levels while considering growth opportunities and our ability to manage periods of commodity price volatility.

Factors that Affect Comparability of Our Results of Operations

Our historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward primarily for the following reasons:

Acquisitions. We intend to continue to grow our operations and financial results through strategic acquisitions like the Devon Barnett Acquisition and the Exxon Barnett Acquisition. Additionally, we may from time to time effect divestitures of certain of our non-core assets. As a result of our Devon Barnett Acquisition, the acquisition of Temple I by the BKV-BPP Power Joint Venture, as well as our recent Exxon Barnett Acquisition, our historical reserve, operating and financial data may not be comparable from period to period. For example, for the nine months ended September 30, 2022 and 2021, our total revenues were approximately $519.4 million and $72.5 million, respectively. For the years ended December 31, 2021 and 2020, our total revenues were approximately $505.7 million and $143.3 million, respectively. As of September 30, 2022 and 2021, our total assets were approximately $2,748.4 million and $1,585.9 million, respectively, and our total liabilities were $1,811.1 million and $973.7 million, respectively. For the nine months ended September 30, 2022 and 2021, our income from the BKV-BPP Power Joint Venture was approximately $14.5 million and zero, respectively. For the years ended December 31, 2021 and 2020, our income from the BKV-BPP Power Joint Venture was approximately $0.9 million and zero, respectively.

Supply, demand, market risk and the impact on natural gas, NGLs and oil prices. As discussed above in "— *Market Outlook*," the natural gas and oil industry historically has been cyclical with highly volatile commodity prices. Natural gas and oil prices are subject to large fluctuations in response to relatively minor changes in the demand for natural gas, NGLs and oil. Prices are affected by current and expected supply and demand dynamics, including the market disruptions resulting from the Russian-Ukraine war, the impact of the COVID-19 pandemic and related erosion of demand for natural gas, NGLs and oil, U.S. supply growth driven by advances in drilling and completion technologies, and the delay of an agreement on production levels by members of OPEC and other oil producing countries, including Russia, resulting in increased supply in the global market. Other factors impacting supply and demand include weather conditions (including severe weather events), pipeline capacity constraints, inventory storage levels, basis differentials, export capacity, supply chain quality and availability, strength of the U.S. dollar as well as other factors, the majority of which are outside of our control. These commodity prices are likely to remain volatile in the future.

Public company expenses. We expect to incur incremental, non-recurring costs related to our transition to a publicly traded company, including the costs of this initial public offering and the costs associated with the initial implementation of our Sarbanes-Oxley Section 404 internal control implementation and testing. We also expect to incur additional significant and recurring expenses as a publicly traded corporation, including costs associated with the employment of additional personnel, compliance under the Exchange Act, annual and quarterly reports to common stockholders, registrar and transfer agent fees, national stock exchange fees, audit fees, legal fees, incremental director and officer liability insurance costs and director and officer compensation.

Winter Storm Uri. Our marketing revenues consist of our portion of net profits earned through an agreement we have in place with a third party who operates a commodity trading book. In 2021, we received higher than normal marketing revenues due to the pricing volatility surrounding abnormal weather events. Although the agreement remains in effect, we consider such levels of marketing revenues to be unusual and may not recur in future periods.

Factors that Significantly Affect Our Financial Condition and Results of Operations

We derive almost all of our revenues from the sale of natural gas and NGLs produced from our interests in properties located in the Barnett and NEPA. Our revenues, cash flow from operations and future growth depend substantially on factors beyond our control, such as economic, political and regulatory developments and competition from other sources of energy. Natural gas and NGL prices have historically been volatile and may fluctuate widely in the future due to a variety of factors, including but not limited to, prevailing economic conditions, supply and demand of hydrocarbons in the marketplace and geopolitical events such as wars or natural disasters. In the future, we will also be subject to fluctuations in commodity prices. Sustained periods of low natural gas prices could materially and adversely affect our financial condition, our results of operations, the quantities of natural gas and NGLs that we can economically produce and our ability to access capital.

From time to time, we utilize derivative contracts in connection with our natural gas operations to provide an economic hedge of our exposure to commodity price risk associated with anticipated future natural gas and NGL production. The derivative contracts we enter into consist of swaps, producer collars and enhanced three-way collars, subject to master netting agreements with each individual counterparty. While these arrangements are structured to reduce our exposure to commodity price decreases, they can also limit the benefit we might otherwise receive from commodity price increases. For example, for the nine months ended September 30, 2022 and 2021, we had derivative losses, net of approximately $720.3 million and $500.6 million, respectively. For the years ended December 31, 2021 and 2020, we had derivative losses, net of approximately $383.8 million, and derivative gains, net of approximately $20.8 million, respectively. We elected not to designate our current portfolio of commodity derivative contracts as hedges for accounting purposes. Therefore, changes in fair value of these derivative instruments are recognized in earnings. See "*—Quantitative and Qualitative Disclosures About Market Risk — Commodity Price Risk and Hedging Activities*" for additional discussion of our commodity derivative contracts. Our results of operations, liquidity and financial condition would be negatively impacted if natural gas prices were to become depressed or decline materially from current levels, or there is otherwise an unexpected material impact on commodity prices, and we have experienced variances in our results of operations and financial condition due to our hedging transactions.

Businesses engaged in the exploration and production of natural gas and NGLs, such as ours, face the challenge of natural production declines. As initial reservoir pressures are depleted, natural gas and NGL production from a given well naturally decreases. Thus, as does any natural gas exploration and production company, we deplete part of our asset base with each unit of natural gas and NGLs we produce. We attempt to overcome this natural decline by drilling and refracturing to unlock additional reserves and acquiring more reserves than we produce. Our future growth will depend on our ability to enhance production levels from our existing reserves and to continue to add reserves in excess of production in a cost effective manner, through development of existing assets and acquisitions. Our ability to make capital expenditures to increase production from our existing reserves and to add reserves through drilling is dependent on our capital resources and can be limited by many factors, including our ability to access capital in a cost effective manner and to timely obtain drilling permits and regulatory approvals.

Other factors significantly affecting our financial condition and results of operations include, among others:

- success in drilling new wells;
- the availability of attractive acquisition opportunities and our ability to execute them;
- the amount of capital we invest in the leasing and development of our properties;
- facility or equipment availability and unexpected downtime; and
- delays imposed by or resulting from compliance with regulatory requirements.

Sources of Revenues

Currently, substantially all of our revenues are derived from the sale of our natural gas production and the NGLs that are extracted from processing our natural gas, though we also generate a portion of our revenues from the sale of crude oil, midstream and surface operations, a minority equity interest in a midstream system and certain marketing revenue and other income. Our midstream and surface operations primarily support our own exploration and production operations, with revenues generated primarily from fees charged for midstream and surface services, including transportation, freshwater sourcing and disposal and other services to us and our affiliates and, to a lesser extent, third parties.

We sell natural gas, NGLs and oil at specific delivery points. To deliver our products, we may incur third party fees for gathering and transportation. Fees incurred prior to transfer of control are recorded as gathering and transportation expenses. Fees incurred after transfer of control are recognized as a reduction to our transaction price. Pricing of commodities is subject to supply and demand as well as to seasonal, political and other conditions that we generally cannot control. Our revenues may vary significantly from period to period as a result of changes in volumes of production sold or changes in commodity prices.

Natural gas, NGL and oil sale revenues

Approximately 98.8% and 90.1% of our total revenues, excluding net derivative losses, for the nine months ended September 30, 2022 and 2021, respectively, were derived through the production and sale of natural gas, NGLs and oil. Approximately 93.3% and 93.8% of our total revenues, excluding net derivative (losses) gains, for the years ended December 31, 2021 and 2020, respectively, were derived through the production and sale of natural gas, NGLs and oil. Production of these resources occurs exclusively within the Barnett and NEPA. The following table presents the breakdown of our revenues from the production and sale of natural gas, NGLs and oil for periods presented:

	Nine Months Ended September 30,		Year Ended December 31,	
	2022	2021	2021	2020
Natural gas sales	79%	70%	72%	89%
NGL sales	20%	29%	27%	10%
Oil sales	1%	1%	1%	1%

Our revenues are influenced by production volumes as well as commodity prices. The following table presents our historical production volumes for the periods presented:

	Nine Months Ended September 30,		Year Ended December 31,	
	2022	2021	2021	2020
Production data				
Natural gas (MMcf)	151,721	138,326	186,055	96,159
NGLs (MBbls)	7,529	6,545	9,829	2,565
Oil (MBbls)	82	93	123	29
Total volumes (MMcfe)	197,386	178,154	245,767	111,722
Average daily total volumes (MMcfe/d)	723.0	652.6	673.3	306.1

Non-operated midstream revenues, net

Approximately 0.5% and 1.0% of our total revenues, excluding net derivative losses, for the nine months ended September 30, 2022 and 2021, respectively, were generated from our approximate 29.4% non-operated interest in a midstream system operated by Repsol. For the years ended December 31, 2021 and 2020, these non-operated midstream revenues amounted to approximately 0.7% and 6.1% of our total revenues, excluding net derivative (losses) gains, respectively. Revenues from our non-operated interest are recognized when services are rendered based on quantities transported and measured according to the underlying contract.

Marketing revenues

Approximately 0.6% and 8.9% of our total revenues, excluding net derivative losses, for the nine months ended September 30, 2022 and 2021, respectively, and approximately 5.9% and zero of our total revenues, excluding net derivative (losses) gains, for the years ended December 31, 2021 and 2020, respectively, consists of our portion of net profits earned through an agreement with Concord Energy, LLC, the third-party marketer of all of our natural gas production. Pursuant to this arrangement, we receive a fixed percentage of all net income realized in the resale of our and other producers' hydrocarbons. In February 2021, we received higher than normal marketing revenues due to the pricing volatility surrounding the events of Winter Storm Uri. Although the agreement remains in effect, we consider such levels of marketing revenues to be unusual and may not recur in future periods.

Other revenues

We generate a portion of our revenues from other sources including surface and midstream operations and a management fee from the BKV-BPP Power Joint Venture. Our midstream and surface operations primarily support our exploration and production operations, with revenues generated primarily from fees charged for surface and midstream services, including transportation, freshwater sourcing and disposal, and other services to us and our affiliates and, to a lesser extent, third parties.

Realized commodity prices

Our results of operations are heavily influenced by commodity prices. Natural gas, NGL and oil prices have historically been volatile and are currently at near record-high levels. On December 31, 2021, the Henry Hub natural gas spot price was $3.82 per MMBtu, though during the period from January 1, 2021 through September 30, 2022, natural gas prices reached a high of $23.86 per MMBtu and a low of $2.43 per MMBtu. A future decline in commodity prices may adversely affect our business, financial condition or results of operations. Lower commodity prices may not only decrease our revenues, but also the amount of natural gas and oil that we can produce economically.

NYMEX Henry Hub, for gas prices, and NYMEX WTI, for oil prices, are widely used benchmarks for the pricing of natural gas and oil in the United States. The price we receive for our natural gas and oil production is generally different than the NYMEX price because of adjustments for delivery location ("basis"), relative quality and other factors. As such, our revenues are sensitive to the price of the underlying commodity to which they relate. The following is a comparison of average pricing excluding and including the effects of derivatives:

	For the Nine Months Ended September 30,		For the Year Ended December 31,	
	2022	2021	2021	2020
Average prices:				
Natural gas (Mcf):				
Average NYMEX Henry Hub Price	$ 6.74	$ 3.61	$ 3.84	$ 2.08
Average Natural Gas Realized Price (excluding derivatives)	$ 6.39	$ 2.60	$ 3.21	$ 1.06
Average Natural Gas Realized Price (including derivatives)	$ 3.56	$ 2.01	$ 2.29	$ 1.17
Differential to NYMEX Henry Hub	$ (0.35)	$ (1.01)	$ (0.63)	$ (1.02)
NGLs (Bbl):				
Average NYMEX WTI Price	$ 98.96	$ 65.05	$ 67.92	$ 39.40
Average NGL Realized Price (excluding derivatives)	$ 32.86	$ 23.10	$ 22.90	$ 4.66
Average NGL Realized Price (including derivatives)	$ 28.71	$ 16.65	$ 16.03	$ 4.66
Differential to NYMEX WTI	$ (66.10)	$ (41.95)	$(45.02)	$(34.74)
Oil (Bbl):				
Average NYMEX WTI Price	$ 98.96	$ 65.05	$ 67.92	$ 39.40
Average Oil Realized Price (excluding derivatives)	$ 92.24	$ 58.82	$ 61.46	$ 46.67
Average Oil Realized Price (including derivatives)	$ 92.24	$ 58.82	$ 61.46	$ 46.67
Differential to NYMEX WTI	$ (6.72)	$ (6.23)	$ (6.46)	$ 7.27
High and low NYMEX prices:				
Oil (Bbl):				
High	$ 123.64	$ 75.54	$ 84.65	$ 63.27
Low	$ 75.99	$ 47.47	$ 47.62	$(37.63)
Natural gas (Mcf):				
High	$ 9.85	$ 23.86	$ 23.86	$ 3.35
Low	$ 3.73	$ 2.43	$ 2.43	$ 1.48

Commodity Price Risk and Derivatives and Hedging Activities

The volatility of energy markets makes it extremely difficult to predict future natural gas, NGL and oil price movements with any certainty, and our results of operations and cash flows are impacted by changes in market prices for natural gas, NGLs and oil. Lower natural gas, NGL and oil prices may reduce the amount of natural gas and oil that we can produce economically. This may also result in our having to make substantial downward adjustments to our estimated proved reserves. If this occurs or if our production estimates change or our exploration or development activities are curtailed, successful efforts accounting rules may require us to recognize impairment expense as a non-cash charge to earnings, and to the carrying value of our natural gas properties.

To achieve more predictable cash flow and to reduce our exposure to adverse fluctuations in commodity prices, from time to time we enter into derivative arrangements for our production. In most of our current positions, our hedging activity may also reduce our ability to benefit from increases in commodity prices. We will sustain losses to the extent our derivatives contract prices are lower than market prices, and conversely, we will recognize gains to the extent our derivatives contract prices are higher than market prices. The price we receive for sales of our natural gas, NGL, and oil is generally less than the NYMEX prices because of adjustments for basis, relative quality and other factors.

In the nine months ended September 30, 2022, our derivative settlements decreased our natural gas revenue by $429.0 million and our NGL revenue by $31.2 million, and early terminations of derivative contracts during the nine months ended September 30, 2022 decreased revenue by an additional $101.3 million. In the nine months ended September 30, 2021, our derivative settlements decreased our natural gas revenue by $81.4 million and decreased our NGL revenue by $42.2 million. In the year ended December 31,

2021, our derivative settlements decreased our natural gas revenue by $170.2 million and our NGL revenue by $67.6 million. In the year ended December 31, 2020, our derivative settlements increased natural gas revenue by $7.7 million and early terminations of derivative contracts increased revenue by an additional $2.7 million for a total increase of $10.4 million.

The following table summarizes our outstanding natural gas and NGL derivative positions as of September 30, 2022. Prices to be realized for hedged production will be less than these NYMEX prices because of location, quality and other adjustments.

Instrument	MMBTU	Weighted Average Price (USD)	Weighted Average Price Sub Floor	Weighted Average Price Floor	Weighted Average Price Ceiling	Weighted Average Price Sub Ceiling	Fair Value as of September 30, 2022 (in thousands)
2022							
Swap	11,209,000	$ 4.41					$ (27,462)
Enhanced three-way collars	8,235,000		$ 2.51	$ 2.54	$ 2.91	$ 3.18	$ (64,581)
Collars	305,000			$ 2.75	$ 3.30		$ (1,077)
2023							
Swap	52,674,600	$ 3.90					$ (67,647)
Enhanced three-way collars	9,125,000			$ 2.45	$ 3.15	$ 3.15	$ (41,317)
Collars	41,250,000			$ 2.85	$ 3.75		$ (55,843)

The following table represents natural gas liquids commodity derivatives for contracts expiring throughout the year ending December 31, 2022 and 2023 based on the applicable index listed below:

Instrument	Commodity Reference Price	Volumes	Weighted Average Price (USD)	Fair Value at September 30, 2022 (In thousands)
2022				
Swap	OPIS Purity Ethane Mont Belvieu	34,385,400	$ 0.34	$ (1,925)
Swap	OPIS IsoButane Mont Belvieu Non-TET	966,000	$ 0.99	$ (96)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	1,932,000	$ 0.98	$ (11)
Swap	OPIS Pentane Mont Belvieu Non-TET	1,932,000	$ 1.46	$ (183)
Swap	OPIS Propane Mont Belvieu Non-TET	5,796,000	$ 0.86	$ (93)
2023				
Swap	OPIS Purity Ethane Mont Belvieu	38,325,000	$ 0.23	$ (4,289)
Swap	OPIS IsoButane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (571)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (384)
Swap	OPIS Pentane Mont Belvieu Non-TET	7,665,000	$ 1.28	$ (1,522)
Swap	OPIS Propane Mont Belvieu Non-TET	22,995,000	$ 0.72	$ (2,004)

Principal Components of Cost Structure

Lease operating and workover

Lease operating and workover expenses reflect the costs incurred to maintain our production. Lease operating expenses represent the costs incurred for field employee salaries, saltwater disposal, repairs and maintenance, and other standard operating expenses. Workover expenses include those costs incurred to perform more substantial maintenance or remedial treatments on a well to restore or enhance production. Cost levels for certain of these expenses vary based on the volume of production, among other factors.

Taxes other than income

Taxes other than income consist of production taxes, severance taxes, impact fees and ad valorem taxes. Production and severance taxes are paid on produced natural gas and oil based on a percentage of

the market value or sales prices of the natural gas and oil or at fixed per-unit rates established by state authorities. Impact fees are based on drilling activities and natural gas market prices. We pay ad valorem taxes based on the value of our reserves as well as the value of property and equipment.

Gathering and transportation

Gathering and transportation expenses are incurred in connection with the natural gas, NGL and oil gathering and transportation contracts we enter into with third parties. Pursuant to these contracts, third parties agree to deliver the natural gas, NGLs and oil we produce to our customers for a fee. The fees incurred prior to control transfer are classified as gathering and transportation expenses on the consolidated statement of operations, whereas any fees incurred after transfer of control are included as a reduction of the associated revenues.

Accretion of asset retirement obligations

Accretion of asset retirement obligations reflects the expense related to accretion of our asset retirement obligations. Our obligations are accreted using the interest method over the period from initial measurement to the expected timing of settlement and are measured using our credit-adjusted risk-free rate applied when the liability was initially measured.

Depreciation, depletion, and amortization

Depreciation, depletion, and amortization reflects the systematic expensing of the costs capitalized in connection with our costs to acquire, explore and develop natural gas, NGLs and oil. We use the successful efforts method of accounting for natural gas producing activities. Accordingly, we capitalize all costs associated with our acquisition, drilling, development, and retirement efforts and all successful exploration efforts and allocate these costs using the units of production method. Depreciation of midstream assets and other property and equipment is computed over an asset's estimated useful life using a straight-line basis.

Exploration and impairment

Exploration costs are costs related to unsuccessful leasing efforts, as well as geological and geophysical costs, including seismic costs, costs of unsuccessful exploratory dry holes and costs of other exploratory activities. Impairment costs include impairment and costs associated with leases expirations, impairment of design and initial costs related to pads that are no longer planned to be placed into service and impairment of proved properties due to lower future commodity prices. We charge impairment expense for expired or soon-to-be expired leases when we determine they are impaired based on factors such as remaining lease terms, reservoir performance, commodity price outlooks and future plans to develop the acreage. We also record impairment charges for proved properties on a geological reservoir basis when events or changes in circumstances indicate that a property's carrying amount may not be recoverable.

General and administrative

General and administrative expenses typically represent costs for payroll and benefits for our work force, equity-based compensation expense, integration support, consulting fees, costs incurred to maintain our headquarters, and costs incurred for various legal proceedings which arise through the normal course of business, among others.

Accretion of right of use liabilities

For any contract deemed to include a leased asset, such as compressors and other equipment used in our upstream operations, that asset is capitalized on the balance sheet as a right of use asset and a corresponding lease liability is recorded at the present value of the known future minimum payments of the contract using a discount rate on the date of commencement. Accretion of right of use liabilities reflects the periodic accretion expense associated with the increase in the present value of the lease liability over the life of the underlying lease.

(Loss) gain on contingent consideration liabilities

In October 2020, we acquired Devon Energy's natural gas properties in the Barnett (the "2020 Barnett Properties"), and in June 2022, we acquired the 2022 Barnett Assets from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, pursuant to separate purchase agreements that each included an earnout obligation pursuant to which we agreed to make certain contingent consideration payments based on future prices of natural gas. As of September 30, 2022, we have paid Devon Energy $65.0 million in contingent consideration payments. We have not paid any contingent consideration payments to Exxon Mobil Corporation as of September 30, 2022. These contingent consideration payments are stated at fair value on our consolidated balance sheet, with changes in fair value recorded in the consolidated statement of operations.

Interest expense

We finance a portion of our capital expenditures, working capital requirements and acquisitions with borrowings under the Subordinated Intercompany Loan Agreements, Working Capital Facilities and the Term Loan Credit Agreement. As a result, we incur interest expense that is affected by both fluctuations in interest rates under our credit facilities and our financing decisions. We have not historically utilized interest rate swaps to mitigate fluctuations in interest rates.

Income tax benefit (expense)

We are subject to state and U.S. federal income taxes. The difference between our financial statement income tax expense and our U.S. federal income tax liability is primarily due to the differences in the tax and financial statement treatment of natural gas properties and the deferral of unsettled commodity derivative gains and losses for tax purposes until they are settled. We also pay certain state income or franchise taxes where state income or franchise taxes are determined on a basis other than income. We record deferred income tax expense to the extent our deferred tax liabilities exceed our deferred tax assets.

In the future, we expect we will be able to realize an additional income tax benefit from Section 45Q tax credits. For facilities placed in service on or after February 9, 2018 and before January 1, 2023, Section 45Q of the Code generally provides the capturing parties a tax credit that escalates until 2026, when it reaches $50 per ton for CO_2 directly stored in geologic formations, annually escalating for inflation thereafter. For facilities placed in service after December 31, 2022, the credit amount is increased to $85 per ton, subject to satisfaction or non-application of certain prevailing wage and apprenticeship requirements (or $17 per ton if such prevailing wage and apprenticeship requirements are not satisfied), with adjustments for inflation after 2026. In either case, the Section 45Q tax credits are available for a 12-year period for qualifying facilities that begin construction before January 1, 2033.

Results of Operations

The following tables present selected financial and operating information for the periods presented:

	Nine Months Ended September 30,	
(In thousands)	**2022**	**2021**
Revenues and other operating income		
Natural gas sales	$ 969,525	$ 359,716
NGL sales	247,404	151,165
Oil sales	7,544	5,491
Midstream revenues	6,080	5,529
Derivative losses, net	(720,312)	(500,604)
Marketing revenues	7,197	51,246
Other	2,008	—
Total revenues and other operating income	519,446	72,543
Operating expenses		
Lease operating and workover	86,870	64,244
Taxes other than income	86,164	28,453
Gathering and transportation	153,281	124,287
Accretion of asset retirement obligations	8,874	7,439
Depreciation, depletion and amortization	68,606	61,219
Exploration and impairment	—	34
General and administrative	107,341	62,653
Accretion of right of use liabilities	190	167
Total operating expenses	511,326	348,496
Income (loss) from operations	8,120	(275,953)
Other income and expense		
Loss on contingent consideration liabilities	(31,089)	(193,350)
Interest expense	(22,334)	(314)
Other income	1,051	628
Bargain purchase gain	163,653	—
Gain on settlement of litigation	16,866	—
Earnings from equity affiliates	14,486	—
Interest income	382	2
Income (loss) before income taxes	151,135	(468,987)
Income tax benefit	2,989	107,918
Net income (loss) and comprehensive income (loss) attributable to BKV Corp	$ 154,124	$(361,069)
Less accretion of preferred stock to redemption value	—	(3,545)
Less preferred stock dividends	—	(9,900)
Less deemed dividend on redemption of preferred stock	—	(1,353)
Net income (loss) and comprehensive income (loss) attributable to common stockholders	$ 154,124	$(375,867)

(In thousands)	Year Ended December 31, 2021	2020
Revenues and other operating income		
Natural gas sales	$ 597,050	$101,758
NGL sales	225,135	11,952
Oil sales	7,560	1,333
Non-operated midstream revenues, net	6,917	7,458
Derivative (losses) gains, net	(383,847)	20,755
Marketing revenues	52,616	—
Other	251	33
Total revenues and other operating income	505,682	143,289
Operating expenses		
Lease operating and workover	88,105	31,260
Taxes other than income	45,650	5,151
Gathering and transportation	173,587	—
Accretion of asset retirement obligations	10,030	3,211
Depreciation, depletion, and amortization	81,986	83,388
Exploration and impairment	34	560
General and administrative	85,740	29,442
Accretion of right of use liabilities	227	184
Total operating expenses	485,359	153,196
Income (loss) from operations	20,323	(9,907)
Other income and expense		
(Loss) gain on contingent consideration liabilities	(194,968)	7,135
Interest expense	(2,134)	(1,713)
Other income	872	—
Income (loss) from equity affiliates	910	—
Interest income	8	121
Loss before income taxes	(174,989)	(4,364)
Income tax benefit (expense)	40,526	(38,982)
Net loss and comprehensive loss attributable to BKV Corporation	$(134,463)	$ (43,346)
Less accretion of preferred stock to redemption value	(3,745)	—
Less preferred stock dividends	(9,900)	(460)
Less deemed dividend on redemption of preferred stock	(22,606)	—
Net loss and comprehensive loss attributable to common stockholders	$(170,714)	$ (43,806)

Comparison of the Nine Months Ended September 30, 2022 and 2021

Operating revenues

Our operating revenues include revenues from the sale of natural gas, NGLs and oil, midstream revenues, gains and losses on our derivative contracts, marketing revenues and other revenues. The following table provides information on our revenues for the periods presented:

	Nine Months Ended September 30,			
(In thousands, other than percentages)	2022	2021	$ Change	% Change
Revenues				
Natural gas revenues	$ 969,525	$ 359,716	$ 609,809	170%
NGL revenues	247,404	151,165	$ 96,239	64%
Oil revenues	7,544	5,491	$ 2,053	37%
Midstream revenues	6,080	5,529	$ 551	10%
Derivative (losses) gains, net	(720,312)	(500,604)	$(219,708)	44%
Marketing revenues	7,197	51,246	$ (44,049)	(86)%
Other	2,008	—	$ 2,008	*
Total revenues and other operating income	$ 519,446	$ 72,543		

* *Percentage not meaningful*

Our aggregate sales volumes for natural gas, natural gas liquids and oil for the three months ended September 30, 2022 and 2021 were 78.2 Bcfe and 59.6 Bcfe, respectively.

Natural gas revenues

Our natural gas revenues increased by approximately $609.8 million to $969.5 million for the nine months ended September 30, 2022 from $359.7 million for the nine months ended September 30, 2021. Higher production volumes, primarily from the 2022 Barnett Assets, during the nine months ended September 30, 2022 accounted for a $34.8 million increase in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period-end average price). The impact of commodity price increases, excluding the effect of derivative settlements, provided a $575.0 million increase in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes).

NGL revenues

Our NGL revenues increased by approximately $96.2 million to $247.4 million for the nine months ended September 30, 2022 from $151.2 million for the nine months ended September 30, 2021. Higher production volumes, primarily from the 2022 Barnett Assets, during the nine months ended September 30, 2022 accounted for a $22.7 million increase in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period-end average price). The impact of commodity price increases, excluding the effect of derivative settlements, provided a $73.5 million increase in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes).

Oil revenues

Our oil revenues increased by approximately $2.1 million to $7.5 million for the nine months ended September 30, 2022 from $5.5 million for the nine months ended September 30, 2021. Lower production volumes during the nine months ended September 30, 2022 accounted for a $0.7 million decrease in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period-end average price). This decrease was more than offset by the impact of commodity price increases, excluding the effect of derivative settlements, which provided a $2.7 million increase in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes).

Midstream revenues

Our midstream revenues increased by approximately $0.6 million, or 10%, to $6.1 million for the nine months ended September 30, 2022 from $5.5 million for the nine months ended September 30, 2021. This increase was due to the midstream assets acquired in the Exxon Barnett Acquisition.

Derivative (losses) gains, net

For the nine months ended September 30, 2022, we had a loss on derivative contracts of $720.3 million compared to a loss on derivative contracts of $500.6 million for the nine months ended September 30, 2021. The loss for the nine months ended September 30, 2022 is attributable to increases in underlying commodity prices and volatility in energy markets, which resulted in higher realized and unrealized losses on derivative contracts as well as $101.3 million of early terminations.

Marketing revenues

Our marketing revenues decreased by approximately $44.0 million to $7.2 million for the nine months ended September 30, 2022 from $51.2 million for the nine months ended September 30, 2021. These revenues are generated in connection with our agreement with Concord Energy, LLC, the third-party marketer of all of our natural gas production. Pursuant to this arrangement, we receive a fixed percentage of all net income realized in the resale of our and other producers' hydrocarbons. In February 2021, we received higher than normal marketing revenues due to the pricing volatility surrounding the events of Winter Storm Uri. Although the agreement remains in effect, we consider such levels of marketing revenues to be unusual and may not recur in future periods.

Other revenues

Our other revenues were approximately $2.0 million for the nine months ended September 30, 2022 as compared to a negligible amount for the nine months ended September 30, 2021.

Operating Expenses

Our operating expenses reflect costs incurred in the development, production and sale of natural gas, NGLs and oil. The following table provides information on our operating expenses:

	Nine Months Ended September 30,			
(In thousands, other than percentages and average costs)	**2022**	**2021**	**$ Change**	**% Change**
Operating Expense				
Lease operating and workover	$ 86,870	$ 64,244	$22,626	35%
Taxes other than income	86,164	28,453	$57,711	*
Gathering and transportation costs	153,281	124,287	$28,994	23%
Accretion of asset retirement obligations	8,874	7,439	$ 1,435	19%
Depreciation, depletion, and amortization	68,606	61,219	$ 7,387	12%
Exploration and impairment	—	34	$ (34)	*
General and administrative	107,341	62,653	$44,688	71%
Accretion of right of use liabilities	190	167	$ 23	14%
Total operating expense	$ 511,326	$ 348,496		

(In thousands, other than percentages and average costs)	Nine Months Ended September 30, 2022	2021	$ Change	% Change
Average Costs per Mcfe				
Lease operating and workover	$ 0.44	$ 0.36	$ 0.08	22%
Taxes other than income	0.44	0.16	$ 0.28	*
Gathering and transportation costs	0.78	0.70	$ 0.08	11%
Accretion of asset retirement obligations	0.04	0.04	$ —	*
Depreciation, depletion, and amortization	0.35	0.34	$ 0.01	3%
Exploration and impairment	—	—	$ —	*
General and administrative	0.54	0.35	$ 0.19	54%
Total	$ 2.59	$ 1.95		

* *Percentage not meaningful*

Lease operating and workover

The following table summarizes our components of lease operating expenses for the periods presented:

	Nine Months Ended September 30,					
	2022		2021		$ Change	% Change
(In thousands, other than percentages and average costs)	Amount	Per Mcfe	Amount	Per Mcfe		
Lease operating expenses	$81,994	$ 0.42	$60,887	$ 0.34	$21,107	35%
Workover expenses	4,876	$ 0.02	3,357	$ 0.02	$ 1,519	45%
Total lease operating and workover expense	$86,870	$ 0.44	$64,244	$ 0.36	$22,626	35%

Lease operating and workover expenses were $86.9 million, or $0.44 per Mcfe, for the nine months ended September 30, 2022, which was an increase of $22.6 million, or 35%, from $64.2 million, or $0.36 per Mcfe, for the nine months ended September 30, 2021. The increase in lease operating and workover expenses during the nine months ended September 30, 2022 compared to the same period in 2021 was primarily due to the Exxon Barnett Acquisition, which closed on June 30, 2022. The acquired operations drove $15.1 million of incremental lease operating and workover expenses during the nine months ended September 30, 2022. The remaining $7.5 million of increased lease operating and workover expenses was driven by a $3.3 million increase in field employee salaries, a $2.5 million increase in disposal costs, and $1.7 million of individually immaterial net increases in other direct production costs incurred in connection with our operations of the 2020 Barnett Properties.

Taxes other than income

Taxes other than income were $86.2 million, or $0.44 per Mcfe, for the nine months ended September 30, 2022, which was an increase of $57.7 million from $28.5 million, or $0.16 per Mcfe, for the nine months ended September 30, 2021. The increase in taxes other than income during the nine months ended September 30, 2022 compared to the same period in 2021 was due primarily to increased natural gas and NGL production taxes associated with our operations of the 2020 Barnett Properties, which are subject to certain ad valorem and severance taxes which are not applicable to our NEPA natural gas properties. The Exxon Barnett Acquisition accounted for the remaining $12.4 million of increased property and production taxes during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021.

Gathering and transportation

Gathering and transportation expenses were $153.3 million, or $0.78 per Mcfe, for the nine months ended September 30, 2022 which was an increase of $29.0 million, from $124.3 million, or $0.70 per Mcfe, for the nine months ended September 30, 2021. Approximately $1.5 million of the increase was driven by the Exxon Barnett Acquisition. The remainder of the increase in gathering and transportation expenses

during the nine months ended September 30, 2022 compared to the same period in 2021 was due to gathering and transportation contracts entered into for our 2020 Barnett Properties during the second half of the year ended December 31, 2021. Pursuant to these contracts, fees for gathering and transportation for our Barnett natural gas are incurred prior to transfer of control of our natural gas production. The fees for gathering and transportation for our legacy NEPA natural gas are incurred subsequent to transfer of control and thus are included in revenues.

Accretion of asset retirement obligations

Accretion of asset retirement obligations was $8.9 million, or $0.04 per Mcfe, for the nine months ended September 30, 2022, which was an increase of $1.4 million, or 19%, from $7.4 million, or $0.04 per Mcfe, for the nine months ended September 30, 2021. Of this increase in accretion of asset retirement obligations during nine months ended September 30, 2022 compared to the same period in 2021, $7.1 million was due to additional accretion of the asset retirement obligations attributable to the 2020 Barnett Properties and the 2022 Barnett Assets.

Depreciation, depletion, and amortization

Depreciation, depletion, and amortization was $68.6 million, or $0.35 per Mcfe, for the nine months ended September 30, 2022, which was an increase of $7.4 million, or $0.12, from $61.2 million, or $0.34 per Mcfe, for the nine months ended September 30, 2021. The increase in depreciation, depletion, and amortization during the nine months ended September 30, 2022 on a per Mcfe basis compared to the nine months ended September 30, 2021 was due to the Exxon Barnett Acquisition, which accounted for an additional $8.7 million of depletion and fixed asset depreciation expense during the nine months ended September 30, 2022. This increase of $8.7 million was partially offset by $1.3 million of individually immaterial decreases.

Exploration and impairment

Exploration and impairment expenses were zero and a negligible amount for the nine months ended September 30, 2022 and 2021, respectively. This decrease in exploration and impairment expenses was due to slightly higher geological and geophysical costs in 2021 related to a completion program in NEPA which began in fiscal year 2020 and continued into 2021 but did not recur in 2022. There were no dry hole costs or impairment expenses incurred in either period.

General and administrative

General and administrative expenses were $107.3 million, or $0.54 per Mcfe,for the nine months ended September 30, 2022, which was an increase of $44.7 million, or 71%, from $62.7 million, or $0.35 per Mcfe, for the nine months ended September 30, 2021. The increase in general and administrative during the nine months ended September 30, 2022 compared to the same period in 2021 was primarily due to the Exxon Barnett Acquisition, which provided $7.5 million to the total increase, and increased professional service expenses for the nine months ended September 30, 2022 relative to those incurred for the same period ended in 2021, which provided $28.5 million to the overall increase. The remaining $8.7 million of the increase is attributable primarily to increased equity-based compensation and employee wages, offset by decreases in other general and administrative expenses.

Other Income and Expenses

Bargain purchase gain. Bargain purchase gain increased to $163.7 million for the nine months ended September 30, 2022 from zero for the nine months ended September 30, 2021. The Exxon Barnett Acquisition resulted in a bargain purchase gain, which was primarily caused by the increase in commodity pricing from the date the acquisition was originally negotiated through the closing date. Because the value of the purchase consideration transferred was less than the fair value of the assets acquired and liabilities assumed as of the closing date of the Exxon Barnett Acquisition, we recognized a bargain purchase gain for the difference.

Loss on contingent consideration liabilities. We recognized a loss on contingent consideration liabilities accruing as an earnout obligation under the purchase agreements executed in connection with the Devon Barnett Acquisition and the Exxon Barnett Acquisition. The loss on contingent consideration liabilities was $31.1 million for the nine months ended September 30, 2022, which was a decrease of $162.3 million from the $193.4 million loss for the nine months ended September 30, 2021. The $162.3 million decrease is primarily attributable to the contingent consideration liability associated with the Devon Barnett Acquisition. Increases in forward curve commodity pricing for natural gas (NYMEX) and oil (WTI) assumptions used in the Monte Carlo simulations during the nine months ended September 30, 2021 increased the fair market value of the liability associated with the Devon Barnett Acquisition and generated losses of $193.4 million during the period. Increases in forward curve commodity pricing for natural gas and oil continued into the nine months ended September 30, 2022; however, the fair value of the contingent consideration liability hit the maximum amount payable under the arrangement with Devon Energy. Accordingly, the associated loss during the nine months ended September 30, 2022 was limited to $30.2 million. The remaining $0.9 million of the current period loss on contingent consideration liabilities is attributable to the Exxon Barnett Acquisition, which is also driven by increases in forward curve commodity pricing.

Gain on settlement of litigation. Gain on settlement of litigation increased to $16.9 million for the nine months ended September 30, 2022 from zero for the nine months ended September 30, 2021 due to the settlement of a dispute between us and an operator related to a midstream gathering system. We agreed to settle with the operator in February 2022, receiving $35.0 million in the settlement. Of the $35.0 million received, $18.1 million was deemed the collection of accounts receivable. The remaining $16.9 million has been recognized as a gain on settlement of litigation on our consolidated statement of operations.

Interest expense. Interest expense was $22.3 million for the nine months ended September 30, 2022, which was an increase of $22.0 million from $0.3 million for the nine months ended September 30, 2021. The increase in interest expense during the nine months ended September 30, 2022 was driven by our increased outstanding debt balances as of September 30, 2022 relative to the outstanding debt balance as of September 30, 2021.

Income tax benefit. Income tax benefit was $3.0 million for the nine months ended September 30, 2022, which was a change of $104.9 million from an income tax benefit of $107.9 million for the nine months ended September 30, 2021. The period-over-period change was due primarily to the recording of deferred tax assets created by the increase in our commodity derivative liabilities during the nine months ended September 30, 2022.

Earnings from equity affiliates. Earnings from equity affiliates was $14.5 million for the nine months ended September 30, 2022, which was a change from zero for the nine months ended September 30, 2021. Earnings from equity affiliates is related to our investment in, and our proportionate share in the income or losses of, the BKV-BPP Power Joint Venture, which we entered into in November 2021.

Comparison of the Years Ended December 31, 2021 and 2020

Operating Revenues

Our operating revenues include revenues from the sale of natural gas, NGLs and oil, non-operated midstream revenues, gains and losses on our derivative contracts, marketing revenues and other revenues. The following table provides information on our revenues for the periods presented:

(In thousands)	Year Ended December 31, 2021	2020	$ Change	% Change
Revenues				
Natural gas revenues	$ 597,050	$101,758	$ 495,292	*
NGL revenues	225,135	11,952	$ 213,183	*
Oil revenues	7,560	1,333	$ 6,227	*
Non-operated midstream revenues, net	6,917	7,458	$ (541)	(7)%
Derivative (losses) gains, net	(383,847)	20,755	$(404,602)	*
Marketing revenues	52,616	—	$ 52,616	*
Other	251	33	$ 218	*
Total revenues and other operating income	$ 505,682	$143,289		

* *Percentage not meaningful*

Natural gas revenues

Our natural gas revenues increased by approximately $495.3 million to $597.1 million for the year ended December 31, 2021 from $101.8 million for the year ended December 31, 2020. Higher production volumes during the year ended December 31, 2021 accounted for a $95.1 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price), due to an increase driven by inclusion of a full year of production from our 2020 Barnett Assets during the year ended December 31, 2021. Changes in commodity prices, excluding the effects of derivative settlements, accounted for an approximate $400.2 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes).

NGL revenues

Our NGL revenues increased by approximately $213.2 million to $225.1 million for the year ended December 31, 2021 from $12.0 million for the year ended December 31, 2020. Higher production volumes during the year ended December 31, 2021 accounted for a $33.8 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price), due to an increase driven by inclusion of a full year of production from our 2020 Barnett Assets during the year ended December 31, 2021. Changes in commodity prices, excluding the effects of derivative settlements, accounted for an approximate $179.4 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes).

Oil revenues

Our oil revenues increased by approximately $6.2 million to $7.6 million for the year ended December 31, 2021 from $1.3 million for the year ended December 31, 2020. Higher production volumes during the year ended December 31, 2021 accounted for a $4.4 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price), due to an increase driven by inclusion of a full year of production from our 2020 Barnett Assets during the year ended December 31, 2021. Changes in commodity prices, excluding the effects of derivative settlements, accounted for an approximate $1.8 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes).

Non-operated midstream revenues, net

Our non-operated midstream revenues decreased by approximately $0.5 million, or 7%, to $6.9 million for the year ended December 31, 2021 from $7.5 million for the year ended December 31, 2020. This decrease was primarily due to decreases in the associated production of natural gas properties the midstream assets support.

Derivative (losses) gains, net

For the year ended December 31, 2021, we had a loss on derivative contracts of $383.8 million compared with a gain on derivative contracts of $20.8 million for the year ended December 31, 2020. The loss in 2021 is attributable to increases in underlying commodity prices, which resulted in higher realized and unrealized losses on derivative contracts.

Marketing revenues

Our marketing revenues increased by approximately $52.6 million, to $52.6 million for the year ended December 31, 2021 from zero for the year ended December 31, 2020. Our marketing revenues are derived under our marketing agreement with a third party pursuant to which we receive a fixed percentage of all net income realized in the resale of our and other producers' hydrocarbons. The increase in marketing revenues was primarily due to the pricing volatility surrounding the events of Winter Storm Uri, which resulted in $48.7 million of revenues for the year ended December 31, 2021.

Other revenues

We generate a portion of our revenues from other sources including surface and midstream operations. Our midstream and surface operations primarily support our own exploration and production operations, with revenues generated primarily from fees charged for surface and midstream services, including transportation, freshwater sourcing and disposal and other services to us and our affiliates and, to a lesser extent, third parties. Our other revenues were approximately $0.3 million for the year ended December 31, 2021 as compared to a negligible amount for the year ended December 31, 2020. The increase was minimal year over year.

Operating Expenses

Our operating expenses reflect costs incurred in the development, production and sale of natural gas, NGLs and oil. The following table provides information on our operating expenses:

	Year Ended December 31,			
(In thousands, other than percentages and average costs)	**2021**	**2020**	**$ Change**	**% Change**
Operating Expense				
Lease operating and workover	$ 88,105	$ 31,260	$ 56,845	182%
Taxes other than income	45,650	5,151	$ 40,499	*
Gathering and transportation costs	173,587	—	$173,587	*
Accretion of asset retirement obligations	10,030	3,211	$ 6,819	212%
Depreciation, depletion, and amortization	81,986	83,388	$ (1,402)	(2)%
Exploration and impairment	34	560	$ (526)	(94)%
General and administrative	85,740	29,442	$ 56,298	191%
Accretion of right of use liabilities	227	184	$ 43	23%
Total operating expense	$485,359	$153,196		
Average Costs per Mcfe				
Lease operating and workover	$ 0.36	$ 0.28	$ 0.08	28%
Taxes other than income	0.19	0.05	$ 0.14	*
Gathering and transportation costs	0.71	—	$ 0.71	*
Accretion of asset retirement obligations	0.04	0.03	$ 0.01	42%
Depreciation, depletion, and amortization	0.33	0.75	$ 0.41	(55)%
Exploration and impairment	—	0.01	$ —	(97)%
General and administrative	0.35	0.26	$ 0.09	32%
Accretion of right of use liabilities	—	—	$ —	(44)%
Total	$ 1.98	$ 1.38		

* *Percentage not meaningful*

Lease operating and workover

The following table summarizes our components of lease operating expenses for the years ended December 31, 2021 and 2020:

	Years Ended December 31,					
	2021		2020			
	Amount	Per Mcfe	Amount	Per Mcfe	$ Change	% Change
	(In thousands)		(In thousands)		(In thousands)	
Lease operating expenses	$ 84,303	$ 0.34	$ 30,130	$ 0.27	$ 54,173	179%
Workover expenses	3,802	0.02	1,130	0.01	2,672	236%
Total lease operating and workover expense	$ 88,105	$ 0.36	$ 31,260	$ 0.28	56,845	182%

Lease operating and workover expenses were $88.1 million, or $0.36 per Mcfe, for the year ended December 31, 2021, which was an increase of $56.8 million, or 182%, from $31.3 million, or $0.28 per Mcfe, for the year ended December 31, 2020. The increase in lease operating and workover during 2021 compared to 2020 was due to the acquisition of our 2020 Barnett Properties, which are included for the full year ended December 31, 2021, compared to three months during the year ended December 31, 2020.

Taxes other than income

Taxes other than income were $45.7 million, or $0.19 per Mcfe, for the year ended December 31, 2021, which was an increase of $40.5 million from $5.2 million, or $0.05 per Mcfe, for the year ended December 31, 2020. The increase in taxes during 2021 compared to 2020 was due to our acquisition of the 2020 Barnett Properties, which are included for the full year ended December 31, 2021, compared to three months during the year ended December 31, 2020. These 2020 Barnett Properties are subject to certain ad valorem and severance taxes which are not applicable to our NEPA natural gas properties.

Gathering and transportation

Gathering and transportation expenses were $173.6 million, or $0.71 per Mcfe, for the year ended December 31, 2021, which was an increase of $173.6 million, from zero for the year ended December 31, 2020. The increase in gathering and transportation during 2021 compared to 2020 was due to new contracts entered into for our 2020 Barnett Properties during the year ended December 31, 2021. Pursuant to these new contracts, fees for gathering and transportation for our Barnett natural gas are incurred prior to transfer of control of our natural gas production. The fees for gathering and transportation for our legacy NEPA natural gas are incurred subsequent to transfer of control and thus are included in revenues.

Accretion of asset retirement obligations

Accretion of asset retirement obligations was $10.0 million, or $0.04 per Mcfe, for the year ended December 31, 2021, which was an increase of $6.8 million, or 212%, from $3.2 million, or $0.03 per Mcfe, for the year ended December 31, 2020. The increase in accretion of asset retirement obligations during 2021 compared to 2020 was due to additional accretion associated with the additional asset retirement obligations associated with the 2020 Barnett Properties.

Depreciation, depletion, and amortization

Depreciation, depletion, and amortization was $82.0 million, or $0.33 per Mcfe, for the year ended December 31, 2021, which was a decrease of $1.4 million, or 2%, from $83.4 million, or $0.75 per Mcfe, for the year ended December 31, 2020. The decrease in depreciation, depletion, and amortization during 2021 on a per Mcfe basis compared to 2020 was due to an increase in proved reserves, lowering our depletion rate.

Exploration and impairment

Exploration and impairment expenses were $0.03 million, or less than $0.01 per Mcfe, for the year ended December 31, 2021, which was a decrease of $0.5 million, or 94%, from $0.6 million, or $0.01 per Mcfe, for the year ended December 31, 2020. The decrease in exploration and impairment during 2021 compared to 2020 was due to higher geological and geophysical costs in 2020 related to a completion program in NEPA during 2020 that did not recur in 2021. There were no dry hole costs or impairment expenses incurred in either period.

General and administrative

General and administrative expenses were $85.7 million, or $0.35 per Mcfe, for the year ended December 31, 2021, which was an increase of $56.3 million, or 191%, from $29.4 million, or $0.26 per Mcfe, for the year ended December 31, 2020. The increase in general and administrative during 2021 compared to 2020 was primarily due to equity-based compensation expense for our equity-based compensation plan introduced during the year ended December 31, 2021, and integration costs related to the Devon Barnett Acquisition incurred during the year ended December 31, 2021 after the conclusion of our transition services agreement with Devon Energy.

Other income and expenses

(Loss) gain on contingent consideration liabilities. We recognized a loss on contingent consideration liabilities of $195.0 million for the year ended December 31, 2021, which was an increase of $202.1 million from a $7.1 million gain for the year ended December 31, 2020. This fluctuation is due to increases in forward curve commodity pricing for natural gas (NYMEX) and oil (WTI) assumptions used in the Monte Carlo simulations increasing the fair market value as of December 31, 2021 as compared to December 31, 2020. The increase in the liabilities is reflected as the (loss) gain on contingent consideration liabilities line of the income statement. These contingent consideration liabilities were incurred pursuant to the terms of an earnout provision under the Devon Barnett Acquisition purchase agreement.

Interest expense. Interest expense was $2.1 million for the year ended December 31, 2021, which was an increase of $0.4 million, or 25%, from $1.7 million for the year ended December 31, 2020. The change in interest expense during 2021 compared to 2020 was due to the outstanding balances on our loans with BNAC the year ended December 31, 2021 exceeding the outstanding balances during the year ended December 31, 2020.

Income tax benefit (expense). Income tax benefit was $40.5 million for the year ended December 31, 2021, which was a change of $79.5 million, or 204%, from an income tax expense of $39.0 million for the year ended December 31, 2020. The change to an income tax benefit during 2021 from income tax expense in 2020 was due to the recording of deferred tax assets created by the increase on our commodity derivative liabilities and contingent consideration during the year ended December 31, 2021.

Income from equity affiliates. Income from equity affiliates was approximately $0.9 million for the year ended December 31, 2021, which was an increase from zero for the year ended December 31, 2020. Income from equity affiliates is related to the management fees received from the BKV-BPP Power Joint Venture and represents the entire increase from the prior year, as we entered into the BKV-BPP Power Joint Venture in 2021.

Liquidity and Capital Resources

Capital Commitments

Our primary needs for cash are to fund our upstream development, midstream, power and CCUS projects, fund operations and capital expenditures, fund acquisitions, fund asset retirement obligations, cover any debt interest or minimum volume commitment obligations, paydown debt, and return capital to stockholders. Our primary uses of cash during 2021 and 2020 were to fund our Devon Barnett Acquisition, our BKV-BPP Power Joint Venture and the development of our natural gas properties. We also used operating cash flows for the payment of a special dividend to our common stockholders, operating costs,

and general and administrative costs. The primary use of the cash received from BNAC was to fund the redemption of our outstanding preferred stock.

During the nine months ended September 30, 2022, capital expenditures for development of natural gas properties were $125.0 million. During the year ended December 31, 2021, capital expenditures for development of natural gas properties were $63.9 million. Capital expenditures for our operated properties are largely discretionary and within our control. We could choose to defer a portion of these planned capital expenditures depending on a variety of factors, including but not limited to the success of our drilling activities, prevailing and anticipated prices for natural gas and NGLs, the availability of equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other interest owners. We will continue to monitor commodity prices and overall market conditions and can adjust our rig cadence up or down in response to changes in commodity prices and overall market conditions.

Our adjusted capital budget for 2022 is approximately $266.0 million, of which we had expended approximately $128.4 million as of September 30, 2022.

Our operating leases consist of leases for office space and compressors. We do not have finance leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Instead, the short-term leases are recognized in expenses on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms generally being one year, which are not recognized as part of the lease right-of-use (ROU) assets or liabilities as they are not reasonably certain to be exercised. The exercise of lease renewal options is at our discretion.

As of December 31, 2021, our undiscounted minimum cash payment obligations for operating lease liabilities are as follows (in thousands):

2022	$11,241
2023	947
2024	959
2025	972
2026	848
Thereafter	1,664
Total undiscounted future lease payments	$16,631
Present value adjustment	(1,226)
Net operating lease liabilities	$15,405

On August 4, 2022, we entered an amendment to our ISDA Master Agreement with a counterparty to our derivative contracts pursuant to which we have agreed to terminate or novate, at our election, $100.0 million of our derivative contracts with the counterparty. As of September 30, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. We intend to make the remaining payment with cash flows from operations, inclusive of our recent Exxon Barnett Acquisition. See "*Note 13 — Credit and Other Risk*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding this agreement.

Capital Resources

Historically, our primary sources of capital resources and liquidity have consisted of internally generated cash flows from operations and loans with our majority stockholder, BNAC. We also enter into derivative contracts to reduce the financial impact of commodity price volatility and provide a level of certainty and stability to our cash flows. We currently believe that we will be able to fully fund our 2022 capital budget with cash on hand and cash flows from operations. The following table summarizes our cash flows for the nine months ended September 30, 2022 and 2021, as well as the years ended December 31, 2021 and 2020 (in thousands):

	Nine Months Ended September 30,		Year Ended December 31,	
	2022	2021	2021	2020
Net cash provided by (used in) operating activities	$ 231,075	274,488	$ 358,133	$ (7,405)
Net cash (used in) investing activities	(756,333)	(74,868)	(161,858)	(513,992)
Net cash provided by (used in) financing activities	575,206	(130,820)	(79,053)	442,723
Net increase (decrease) in cash and cash equivalents	$ 49,948	$ 68,800	$ 117,222	$ (78,674)

Cash flows provided by (used in) operating activities. Net cash provided by operating activities was $231.1 million for the nine months ended September 30, 2022, compared to $274.5 million of net cash provided by operating activities for the nine months ended September 30, 2021. Net cash provided by operating activities decreased in 2022 primarily due to our net income position as of September 30, 2022 versus our net loss position as of September 30, 2021, cash paid for settlement of contingent consideration, changes in the fair values of derivative and contingent consideration liability balances, the current year gain on bargain purchase, and decreased cash utilized for working capital.

Net cash provided by operating activities was $358.1 million for the year ended December 31, 2021, compared to $7.4 million of net cash used in operating activities for the year ended December 31, 2020. Net cash provided by operating activities increased in 2021 primarily due to increases natural gas and NGL volumes produced, increases in commodity prices both before and after the effects of settled commodity derivatives, changes in the fair values of derivative and contingent consideration liability balances, and decreased cash utilized for working capital.

Operating cash flow fluctuations are substantially driven by realized commodity prices, production volumes and operating expenses. Prices for natural gas and NGLs have historically been volatile, primarily as a result of supply and demand, pipeline infrastructure constraints, basis differentials, inventory storage levels and seasonal influences. We are unable to predict future commodity prices and therefore cannot provide assurance about future levels of cash provided by operating activities.

Cash flows used in investing activities. Net cash used in investing activities increased from $74.9 million for the nine months ended September 30, 2021 to $756.3 million for the nine months ended September 30, 2022. Driving $627.5 million of this increase is our acquisition of certain operated and non-operated interests in proved reserves and certain midstream support assets in the Exxon Barnett Acquisition. Approximately $125.0 million of the year-to-date cash outflow for the nine months ended September 30, 2022 is due to our increased expenditures in development of natural gas properties. The remainder of the cash outflow is attributable to other investing activities.

Net cash used in investing activities decreased from $514.0 million for the year ended December 31, 2020 to $161.9 million for the year ended December 31, 2021. The primary driver of the decreased cash outflow in 2021 relative to 2020 was our decreased investment in natural gas properties for production purposes in 2021. In 2021, we invested approximately $2.5 million in properties while in 2020, we invested approximately $501.7 million.

Contributing to the $161.9 million cash outflow in 2021 was our initial investment in BKV-BPP Power. In November of 2021, BKV-BPP Power purchased an operational power plant in Texas. The remaining activity in 2021 included $63.9 million attributable to development activities and $7.6 million for developed property and undeveloped acreage acquisition. Development activities have and are anticipated to continue to be funded through cash flows from operations.

Cash flows provided by (used in) financing activities. Net cash provided by financing activities changed from a $130.8 million outflow for the nine months ended September 30, 2021 to a $575.2 million inflow for the nine months ended September 30, 2022. The primary driver of the current period inflow is the $570.0 million of borrowings against the Term Loan Credit Agreement dated June 16, 2022. We also received $75.0 million of proceeds in connection with a related party note payable, offset by $166.0 million of repayments to the related party, and $190.0 million of advances received in connection with the Company's

credit facility, offset by $60.0 million of repayments on said facility. The remainder of the fluctuation consists primarily of contingent consideration settlements, debt issuance cost and deferred offering cost payments, and net share settlements.

Net cash used in financing activities was $79.1 million for the year ended December 31, 2021, compared to net cash flows provided by financing activities of $442.7 million for the year ended December 31, 2020. During the year ended December 31, 2021, we paid dividends to common stock stockholders of $88.1 million and dividends to preferred stockholders of $10.3 million. The Company elected to exercise its redemption option on all outstanding shares of preferred stock and the associated shares of common stock for $122.4 million, and puttable minority interest shares of common stock for $2.8 million. In addition, the Company issued common stock through the 2022 ESPP (as defined herein) and received proceeds of $3.2 million from shares sold under the ESPP. These cash outflows are partially offset by $166.0 million of proceeds received under the term loans from BNAC.

Working Capital

As of September 30, 2022, we had cash and cash equivalents of $167.1 million and restricted cash of $17.5 million, compared to $86.2 million of cash and cash equivalents and zero restricted cash as of September 30, 2021. Our net working capital deficit was $511.0 million as of September 30, 2022, compared to a deficit of $331.2 million as of September 30, 2021.

As of December 31, 2021, we had a cash and cash equivalents balance of $134.7 million, compared to $17.4 million as of December 31, 2020, and a net working capital deficit of $269.0 million as of December 31, 2021, compared to a net working capital surplus of $70.4 million as of December 31, 2020. As of December 31, 2021, our working capital deficit included $166.0 million of term loans under the $116 Million Loan Agreement and the $50 Million Loan Agreement (each as defined herein) that were due to BNAC by December 31, 2022.

Our working capital fluctuates based on the timing of cash collections on accounts receivable and payments on accounts payable. Our collection of receivables has historically been timely, and losses associated with uncollectible receivables have historically not been significant. As of September 30, 2022, we had a working capital deficit of $511.0 million, primarily driven by derivative settlements payable of $214.7 million, our outstanding accounts payable of $318.5 million, the $111.9 million current portion of our long-term debt instruments, and $63.4 million of contingent consideration payable. The payments relating to the contingent consideration and term loans are due in January and June of 2023, respectively. We intend to make these payments with cash flows from operations and availability under existing debt facilities and new debt facilities that we intend to enter into in the future. The current derivative liabilities will settle monthly during the twelve-month period ending June 30, 2023 in conjunction with the corresponding commodity sales, other than the $100.2 million cash payment to the counterparty to certain of our derivative contracts discussed below. We intend to use the proceeds from the corresponding commodity sales to pay the settlements of the derivative liabilities. As of December 31, 2021, we had a working capital deficit of $269.0 million primarily driven by our term loans with BNAC of $166.0 million under the $116 Million Loan Agreement and the $50 Million Loan Agreement, contingent consideration payable of $65.0 million, and derivative settlements payable of $91.2 million. Due to our derivative positions, outstanding loans to BNAC and our business being capital intensive, we may incur working capital deficits in the future.

On August 4, 2022, we entered into an amendment to our ISDA Master Agreement with the counterparty to certain of our derivative contracts pursuant to which we agreed to terminate or novate, at our election, at least $100.0 million of our derivative contracts. As of September 30, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. We intend to make the remaining payment with cash flows from operations. See “*Note 13 — Credit and Other Risk*” to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding this agreement.

On September 14, 2022, we received an advance of (i) $45.0 million in aggregate principal amount under our OCBC Credit Facility and (ii) $75.0 million in aggregate principal amount under our Revolving Credit Agreement. On October 14, 2022, we repaid the one month draw of $30.0 million that was outstanding under the Revolving Credit Agreement.

We believe our cash flow from operations, cash on hand and borrowings under our Revolving Credit Facilities will provide sufficient liquidity to fund our operations, capital expenditures, interest expense and debt repayments and commodity derivatives that are expected to settle during the next 12 months.

We expect that our pace of development, production volumes, commodity prices and differentials to NYMEX prices for our oil and natural gas production will be the largest variables affecting our working capital.

Loan Agreements and Credit Facilities

Intercompany Loan Agreements

On December 17, 2019, BKV O&G entered into a Loan Agreement (the "$10 Million Loan Agreement") with BNAC, a related party, which allowed for a single drawdown in the amount of $10.0 million. On June 23, 2020, we entered into a novation agreement with BKV O&G and BNAC, which transferred all of BKV O&G's rights and obligations under the $10 Million Loan Agreement to us. Also on June 23, 2020, we entered into a First Amendment to the Loan Agreement (the "First Amendment to $10 Million Loan Agreement"). On July 1, 2020, we borrowed $10.0 million thereunder for working capital purposes. The First Amendment to $10 Million Loan Agreement bore interest at a rate calculated monthly based on the outstanding principal balance as of the first of the month at the rate no less than the cost of funding of BNAC. Interest was payable on a monthly basis. During the year ended December 31, 2020, we paid $0.2 million in interest on the loan, and on December 31, 2020, we repaid $5.0 million of the outstanding principal amount of the loan. During the year ended December 31, 2021, we paid $0.1 million in interest on the loan and repaid the remaining outstanding principal amount of the loan in full. The First Amendment to $10 Million Loan Agreement terminated on June 20, 2021.

On September 28, 2020, we borrowed $119.0 million under a Loan Agreement (the "$119 Million Loan Agreement") with BNAC to partially fund the Devon Barnett Acquisition and for working capital. The $119 Million Loan Agreement bore interest at six-month LIBOR plus 5.25% per annum and was payable on a semi-annual basis. During the year ended December 31, 2020, we paid $1.5 million in interest on the loan, and on December 16, 2020, we repaid $100.0 million of the original outstanding principal amount of the loan. During the year ended December 31, 2021, we paid $0.2 million in interest on the loan, and on March 15, 2021. we repaid the remaining outstanding principal amount of the loan in full. The $119 Million Loan Agreement terminated concurrently with repayment of the remaining principal amount.

On November 8, 2021, we borrowed $50.0 million under a Loan Agreement (the "$50 Million Loan Agreement") with BNAC. On January 11, 2022, we repaid $15.0 million of the outstanding principal amount of the loan. On June 1, 2022, we paid $1.3 million in interest on the loan and repaid the remaining $35.0 million of the outstanding principal amount of the loan in full. The $50 Million Loan Agreement terminated concurrently with repayment of the remaining principal amount.

Subordinated Intercompany Loan Agreements

On October 14, 2021, we borrowed $116.0 million under a Loan Agreement (the "$116 Million Loan Agreement") with BNAC to redeem all of the outstanding preferred and common stock of the company owned by OCM BKV Holdings, LLC, an affiliate of Oaktree Capital Management L.P. Following such redemption, we do not have any issued and outstanding preferred stock. As of December 31, 2021, the full $116.0 million balance of the loan remained outstanding. On June 15, 2022, we entered into an Amended and Restated Loan Agreement (the "$116 Million A&R Loan Agreement"), which amended and restated the $116 Million Loan Agreement to, among other things, subordinate the $116.0 million term loan owed to BNAC thereunder to the term loans we borrowed under the Term Loan Credit Agreement. On August 24, 2022, BNAC entered into a Subordination Agreement with Bangkok Bank Public Company Limited, New York Branch, which subordinated the $116.0 million term loan owed to BNAC to the revolving loans

at any time outstanding under the Revolving Credit Agreement (the "August 2022 Subordination Agreement"). On September 16, 2022, we repaid the full $116.0 million balance of the loan.

On March 10, 2022, we borrowed $75.0 million under a Loan Agreement (the “$75 Million Loan Agreement”) with BNAC to fund the deposit for the Exxon Barnett Acquisition. On June 15, 2022, we entered into an Amended and Restated Loan Agreement (the “$75 Million A&R Loan Agreement” and, together with the $116 Million A&R Loan Agreement, the “Subordinated Intercompany Loan Agreements”), which amended and restated the $75 Million Loan Agreement to, among other things, subordinate the $75.0 million term loan owed to BNAC thereunder to the term loans we borrowed under the Term Loan Credit Agreement. The August 2022 Subordination Agreement provides for the subordination of the $75.0 million term loan owed to BNAC thereunder to the revolving loans at any time outstanding under the Revolving Credit Agreement. We intend to use a portion of the net proceeds from this offering to repay in full the $75 Million A&R Loan Agreement.

Our payment obligations under the Subordinated Intercompany Loan Agreements are unsecured and subordinated to our payment obligations under the Term Loan Credit Agreement and the Revolving Credit Agreement. The Subordinated Intercompany Loan Agreements bear interest at one-year term SOFR plus 5.25%. Interest on the term loans is payable annually, and the loans are repayable on December 31, 2027, in each case unless such payment is prohibited by the subordination terms of the Term Loan Credit Agreement. Subject to such subordination provisions, we are permitted to prepay the term loans at any time, with no prepayment premium.

The Subordinated Intercompany Loan Agreements include covenants that, among other things, prohibit us or any of our subsidiaries from merging, incurring liens or incurring any additional indebtedness or guarantees without consent from the lender. The Subordinated Intercompany Loan Agreements include financial covenants that require us to: (1) maintain a net worth (as defined in the Subordinated Intercompany Loan Agreements, but generally meaning total assets minus total liabilities) of at least $800.0 million at all times; and (2) not permit our trailing twelve month net borrowings to EBITDAX (as defined). in the Subordinated Intercompany Loan Agreements, but generally meaning the ratio of debt (minus cash) to earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses) ratio to exceed 3.0 to 1.0 at any time. We are in compliance with all associated covenants under the $116 Million Loan Agreement and the $75 Million Loan Agreement as of September 30, 2022.

Term Loan Credit Agreement

On June 16, 2022, we entered into a Credit Agreement (as amended by that certain First Amendment to Credit Agreement dated as of November 11, 2022, the “Term Loan Credit Agreement”) with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent. The Term Loan Credit Agreement includes $600.0 million of commitments for term loans used solely to fund a portion of the purchase price for the Exxon Barnett Acquisition. On June 30, 2022, we borrowed $570.0 million of term loans under the Term Loan Credit Agreement to partially fund the Exxon Barnett Acquisition.

The term loans mature five years after their initial incurrence and require the prepayment of 20% of their original principal amount on each anniversary of their initial incurrence. Mandatory prepayments are required for casualty losses and asset dispositions in amounts equal to the net proceeds we receive in connection with such casualty loss or asset disposition above an aggregate $25.0 million during the term of the facility. In addition, we are required to prepay the term loans with any cash proceeds we receive from Banpu to cure a financial covenant default. The term loans are subject to a prepayment premium of 2.0% for optional prepayments, mandatory prepayments due to asset dispositions, and certain other mandatory prepayments.

The obligations under the Term Loan Credit Agreement are unsecured and guaranteed on an unsecured basis by all of our current and future subsidiaries. Loans under the Term Loan Credit Agreement bear interest at six-month term SOFR plus a credit spread adjustment of 0.10%, plus 4.75% per annum. Interest is payable on the last day of each interest period and at maturity. We are obligated to pay certain fees to the lenders and administrative agent under the Term Loan Credit Agreement, including commitment fees until the term loans are funded or the commitments are terminated.

The term loans were funded upon the closing of the Exxon Barnett Acquisition and satisfaction of other customary conditions.

In addition to customary reporting requirements for similarly situated companies, we are required to provide to the administrative agent, and receive its approval of, our annual budget and, commencing with the quarter ending March 31, 2023, each quarterly cash forecast for the succeeding 12-month period.

The Term Loan Credit Agreement contains various restrictive covenants that, among other things, limit our ability and the ability of our subsidiaries to: incur indebtedness (with an exception allowing us to incur, subject to certain limitations and after this initial public offering, up to $200.0 million of unsecured debt for working capital purposes); incur liens; acquire or merge with any other company; sell assets or equity interests of our subsidiaries; make investments (other than direct investments in oil and gas properties and other assets in permitted lines of business); pay dividends or make other restricted payments (see "*Dividend Policy*" and the next paragraph for further information regarding the permitted dividends under the Term Loan Credit Agreement); change our lines of business; enter into speculative hedge agreements; enter into transactions with affiliates; own any subsidiary that is not organized in the United States; prepay any debt under the Subordinated Intercompany Loan Agreements; engage in certain marketing activities; and allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to our proved oil and gas properties.

The Term Loan Credit Agreement permits us to pay quarterly dividends to our stockholders if, among other things, (1) we have earned sufficient free cash flow (as defined in the Term Loan Credit Agreement), (2) our pro forma available cash is greater than $100.0 million, and (3) our adjusted stockholders' equity (as defined generally to mean our stockholders' equity as determined in accordance with GAAP as determined in the most recently delivered financial statements, adjusted to exclude certain unrealized earnout obligations and unrealized gains or losses resulting from hedging agreements and the application of the applicable accounting standard for the hedging instruments) is not less than $800.0 million.

Beginning with the fiscal quarter ending June 30, 2023, the Term Loan Credit Agreement will require us to always hedge not less than 50% of projected production from our proved developed producing reserves for the following 12 months and not less than 25% of the projected production from our proved developed producing reserves for the period beginning 13 months after the measurement date and ending 24 months after such date.

The Term Loan Credit Agreement also includes financial covenants that require us to maintain:

- on a semi-annual basis, a minimum asset coverage ratio (as defined in the Term Loan Credit Agreement, but generally meaning the ratio of the PV-10 value of our proved oil and gas properties to our funded debt) of 2.00 to 1.00;
- on a quarterly basis, a maximum net leverage ratio (as defined in the Term Loan Credit Agreement, but generally meaning the ratio of total funded debt, minus available cash of up to $100.0 million, to our earnings before interest, taxes, depreciation, depletion and amortization) of 2.50 to 1.00; and
- on a quarterly basis, a minimum fixed charge coverage ratio (as defined in the Term Loan Credit Agreement, but generally meaning the ratio of our earnings before interest, taxes, depreciation, depletion and amortization to certain fixed charges) of 1.30 to 1.00.

The Term Loan Credit Agreement includes customary equity cure rights that will enable us, in Banpu's sole discretion, to cure certain breaches of the maximum net leverage ratio covenant or the minimum fixed charge coverage ratio covenant.

The Term Loan Credit Agreement generally includes customary events of default for a syndicated credit facility, some of which allow for an opportunity to cure. In addition, the Term Loan Credit Agreement includes an event of default if there is a material adverse change in our business. If, after this initial public offering, Banpu and its wholly owned subsidiaries cease to own at least 51% of our equity interests, or if any such holder allows any lien to exist on our equity interests that they own, such event will be an event of default under the Term Loan Credit Agreement. If an event of default relating to bankruptcy or other

insolvency events occurs, the term loans will immediately become due and payable; if any other event of default exists, the administrative agent or the requisite lenders will be permitted to accelerate the maturity of the term loans.

Revolving Credit Facilities

We are party to a $55.0 million uncommitted credit facility with Oversea-Chinese Banking Corporation Limited, which includes a $25.0 million sublimit for the issuance of standby letters of credit. (the "OCBC Credit Facility"). As of November 17, 2022, $45.0 million in aggregate principal amount was outstanding under the OCBC Credit Facility. We are also party to a $25.0 million uncommitted credit facility with Standard Chartered Bank, which includes a $15.0 million sublimit for revolving loans (the "SCB Credit Facility" and, together with the OCBC Credit Facility, the "Revolving Credit Facilities"). As of November 17, 2022, $10.0 million in aggregate principal amount was outstanding under the SCB Credit Facility. We use the Revolving Credit Facilities for letters of credit and working capital purposes.

The Revolving Credit Facilities are uncommitted, such that the lender is not obligated to honor any request for a loan or the issuance of a letter of credit thereunder. Our obligations under the Revolving Credit Facilities are repayable upon demand by the applicable lender. The interest rates and fees under the Revolving Credit Facilities can be changed by the applicable lender in its discretion. Certain of our subsidiaries are co-borrowers or guarantors of our obligations under the Revolving Credit Facilities. The obligations under the Revolving Credit Facilities are unsecured.

Revolving Credit Agreement

On August 24, 2022, we entered into the Revolving Credit Agreement with Bangkok Bank Public Company Limited (New York Branch), as the administrative agent and sole initial lender, and on November 11, 2022, we entered into the First Amendment to Revolving Credit Agreement. The Revolving Credit Agreement includes $100.0 million of commitments for unsecured revolving loans used for short-term working capital and operating needs. As of November 17, 2022, $45.0 million in aggregate principal amount was outstanding under the Revolving Credit Agreement.

The revolving loans may be borrowed, repaid and reborrowed during the term of the Revolving Credit Agreement. The Revolving Credit Agreement will mature on September 30, 2027. Mandatory prepayments are required at any time the principal amount of outstanding revolving loans exceeds our receivables from the sales of hydrocarbons produced from our oil and gas properties. In addition, we are required to prepay the revolving loans with any cash proceeds we receive from Banpu to cure a financial covenant default to the extent such cash proceeds are in excess of the amount required to be prepaid under the Term Loan Credit Agreement.

The obligations under the Revolving Credit Agreement are unsecured and guaranteed on an unsecured basis by all of our current and future subsidiaries. Loans under the Revolving Credit Agreement bear interest at one, three or six-month term SOFR plus a credit spread adjustment of 0.10%, plus 4.75% per annum. Interest is payable on the last day of each interest period and at maturity. We are obligated to pay certain fees to the lenders and administrative agent under the Revolving Credit Agreement, including commitment fees on the average daily amount of the undrawn portion of the commitments.

Availability of the revolving loans is limited in amount and conditioned upon the administrative agent's and lenders' receipt and satisfaction with certain deliverables, including, among other things,

- receipt by the Administrative Agent of a certificate from us (i) certifying that the amounts owing to the applicable Payees (as such term is defined in the Revolving Credit Agreement, but generally, the payees of obligations incurred by us) have been paid to the respective Payees prior to the date of such borrowing, (ii) certifying and providing calculations that the requested borrowing does not exceed 110% of the sum of (x) amounts owed to such Payees and (y) Specified Royalty Payments (defined as royalty payments to be made by us or any of our subsidiaries to Payees after the date of such proposed borrowing but on or prior to the last day of the month in which such proposed borrowing occurs) and (iii) certifying that we will pay to the applicable Payees any Specified Royalty Payments prior to the last day of the month in which such borrowing occurs;

- receipt by the Administrative Agent of all documents and/or invoices to be paid by us from the requested borrowing in an amount equal to at least 90% of the requested borrowing; and
- receipt by the Administrative Agent of a certificate from us certifying (1) as to the estimated receivables from the sales of hydrocarbons from our oil and gas properties on the date of such borrowing and (2) that the amount of item (1) exceeds the sum of the principal amount of all outstanding revolving loans and the aggregate principal amount of the requested borrowing.

In addition to customary reporting requirements for similarly situated companies, we are required to provide to the administrative agent not later than thirty (30) days prior to the end of each fiscal year, a copy of a cash flow projection for each month in the following fiscal year and not later than 20 days after the end of each month, a summary of actual cash flow for such month.

The Revolving Credit Agreement contains various restrictive covenants that, among other things, limit our ability and the ability of our subsidiaries to: incur indebtedness (with an exception allowing us to incur, subject to certain limitations and after this initial public offering, up to $200.0 million of unsecured debt (including amounts under the Revolving Credit Agreement) for working capital purposes); incur liens; acquire or merge with any other company; sell assets or equity interests of our subsidiaries; make investments (other than investments in oil and gas properties and other assets in permitted lines of business); pay dividends or make other restricted payments (see "*Dividend Policy*" and the next paragraph for further information regarding the permitted dividends under the Revolving Credit Agreement); change our lines of business; enter into speculative hedge agreements; enter into transactions with affiliates; own any subsidiary that is not organized in the United States; prepay any debt under the Subordinated Intercompany Loan Agreements; engage in certain marketing activities; and allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to our proved oil and gas properties.

The Revolving Credit Agreement permits us to pay quarterly dividends to our stockholders if, among other things, (1) we have earned sufficient free cash flow (as defined in the Revolving Credit Agreement), (2) our pro forma available cash is greater than $100.0 million and (3) our adjusted stockholders' equity (as defined generally to mean our stockholders' equity as determined in accordance with GAAP as determined in the most recently delivered financial statements, adjusted to exclude certain unrealized earnout obligations and unrealized gains or losses resulting from hedging agreements and the application of the applicable accounting standard for the hedging instruments) is not less than $800.0 million.

Beginning with the fiscal quarter ending June 30, 2023, the Revolving Credit Agreement will require us to always hedge not less than 50% of projected production from our proved developed producing reserves for the following 12 months and not less than 25% of the projected production from our proved developed producing reserves for the period beginning 13 months after the measurement date and ending 24 months after such date.

The Revolving Credit Agreement also includes financial covenants that require us to maintain:

- on a semi-annual basis, a minimum asset coverage ratio (as defined in the Revolving Credit Agreement, but generally meaning the ratio of the PV-10 value of our proved oil and gas properties to our funded debt) of 2.00 to 1.00;
- on a quarterly basis, a maximum net leverage ratio (as defined in the Revolving Credit Agreement, but generally meaning the ratio of total funded debt, minus available cash of up to $100.0 million, to our earnings before interest, taxes, depreciation, depletion and amortization) of 2.50 to 1.00; and
- on a quarterly basis, a minimum fixed charge coverage ratio (as defined in the Revolving Credit Agreement, but generally meaning the ratio of our earnings before interest, taxes, depreciation, depletion and amortization to certain fixed charges) of 1.30 to 1.00.

The Revolving Credit Agreement includes customary equity cure rights that will enable us, in Banpu's sole discretion, to cure certain breaches of the maximum net leverage ratio covenant or the minimum fixed charge coverage ratio covenant.

The Revolving Credit Agreement generally includes customary events of default for a syndicated credit facility, some of which allow for an opportunity to cure. In addition, the Revolving Credit Agreement includes

an event of default if there is a material adverse change in our business. If, after this initial public offering, Banpu and its wholly owned subsidiaries cease to own at least 51% of our equity interests, or if any such holder allows any lien to exist on our equity interests that they own, such event will be an event of default under the Revolving Credit Agreement. If an event of default relating to bankruptcy or other insolvency events occurs, the revolving loans will immediately become due and payable; if any other event of default exists, the administrative agent or the requisite lenders will be permitted to accelerate the maturity of the revolving loans.

BKV-BPP Power Joint Venture

Under the terms of the Limited Liability Agreement of BKV-BPP Power, we do not have the ability to unilaterally cause BKV-BPP Power to make distributions. As of September 30, 2022 and December 31, 2021, no distributions have been made by BKV-BPP Power. In addition, we may be required to make additional capital contributions to fund items approved in the annual budget or other matters approved by the board of BKV-BPP Power. Such additional capital contributions, which are not subject to any limit on the potential amount required, would reduce the amount of cash otherwise available for dividend payments by us on our common stock or require us to incur additional indebtedness. However, any additional capital contributions must be approved by a majority of BKV-BPP Power's eight member board of directors, four of which are appointed by us and four of which are appointed by BPPUS. See "*Certain Relationships and Related Party Transactions — BKV-BPP Power Limited Liability Company Agreement*." Also see "*Risk Factors — Risks Related to Our Power Generation Business — We operate our power generation business through a joint venture which we do not control*."

Internal Controls and Procedures

As an emerging growth company, we are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act, and therefore are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Section 302 of the Sarbanes-Oxley Act, which will require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. Though we will be required to disclose material changes made to our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the year following our first annual report required to be filed with the SEC. We will not be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act.

We will remain an emerging growth company under the JOBS Act until December 31, 2022. While we continue to be an emerging growth company until the end of the 2022 fiscal year, we expect our revenues will exceed $1.235 billion during the year ending December 31, 2022 and we will no longer qualify as an emerging growth company as of December 31, 2022.

Material Weakness in Internal Control Over Financial Reporting

We have identified several material weaknesses in our internal control over financial reporting as of December 31, 2021, as described below. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. See "*Risk Factors — Risks Related to the Offering and Our Common Stock — We have identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future, or otherwise fail to maintain effective internal controls over financial reporting, which could result in a restatement of our financial statements or cause us to fail to meet our reporting obligations.*"

We did not design and maintain effective controls to communicate relevant information among departments to completely and accurately record and disclose transactions in the financial statements. This material weakness contributed to two additional material weaknesses in our internal controls. We did not

design and maintain effective controls related to (i) the accounting for stock awards and common stock with certain put rights, including the value and classification of such arrangements; and (ii) the communication and evaluation of terms and conditions set forth in complex contracts, including certain of our commodity derivative contracts, relevant to our compliance with financial covenants and related disclosures.

Finally, we did not design and maintain effective controls related to the accounting for income taxes, which were not designed at a sufficient level of precision or rigor to prepare and review the tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and disclosures in the consolidated financial statements, which also resulted in a material weakness in our internal control over financial reporting.

The material weaknesses described above resulted in audit adjustments to share capital and other mezzanine equity accounts, liquidity disclosures, income tax benefit, income taxes payable to related party and deferred tax assets. Additionally, each of the material weaknesses described above could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

We have begun to take steps towards remediating these material weaknesses primarily by designing and implementing additional internal controls, including those related to (i) the communication of relevant information across departments, (ii) the valuation and classification of stock awards and common stock with certain put rights, (iii) the communication and evaluation of terms and conditions included in complex contracts relevant to our compliance with financial covenants and related disclosures, and (iv) the preparation and review of the income tax rate reconciliation, return to provision, income tax provision, related income tax assets and liabilities, and income tax disclosures. Although we believe we are addressing the internal control deficiencies that led to the material weaknesses, the measures we have taken, and plan to take, may not be effective.

Off-Balance Sheet Arrangements

As of September 30, 2022 and December 31, 2021 and 2020, we did not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based upon our historical consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of certain assets, liabilities and related disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The following critical accounting policies relate to the more significant estimates and assumptions used in preparing the historical consolidated financial statements.

Accounting for Natural Gas and NGL Reserve Quantities and Standardized Measure of Future Cash Flows

We use the successful efforts method of accounting for natural gas producing activities. Under this method, the costs to acquire mineral interests in natural gas properties, to drill and equip exploratory leases that find proved reserves, and to drill and equip development leases and related asset retirement costs are capitalized. Costs to drill exploratory wells are initially capitalized but are charged to expense if and when we determine the exploratory wells do not contain resource reserves in commercially viable quantities. For exploratory wells that find reserves that cannot be classified as proved upon completion of drilling, costs continue to be capitalized as suspended exploratory drilling costs if sufficient reserves have been found to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operational viability of the project. We reassess the operational viability of our exploratory wells on at least a quarterly basis, which may involve use of significant judgment. If we determine that future appraisal drilling or development activities are unlikely to occur, the associated suspended exploratory well costs are expensed. In some instances, this determination may take longer than one year.

The processes we use to estimate quantities of proved and unproved developed natural gas reserves and their values, future production rates, and future development costs are highly complex and requires significant subjectivity and estimation in the evaluation of available geological, engineering and economic data. The accuracy of any reserves estimate is a function of the quality of data available and of engineering and geological interpretation. The data used in developing reserve estimates may change significantly over time as a result of numerous factors, including but not limited to evolving production history, additional development activity, and continual reassessment of the viability of production under varying economic conditions. Although we take every reasonable effort to ensure our reserve estimates are representative of our actual reserves — for example, by involving independent reserve engineers in the assessment of the estimates — the subjective decisions and variances in the data available could give rise to revisions that could materially impact the accompanying historical consolidated financial statements.

Impairment of Natural Gas Properties

The evaluation of impairment of proved and unproved natural gas properties is considered a critical accounting policy due to the significant judgment and estimation involved in ascertaining the probability of future events, such as future market values of natural gas, NGLs and oil, future production costs, and future production volumes, as well as fair valuation of the properties in question. Changes in the judgments and estimates used in our evaluation of impairment, including but not limited to the expected future cash flows from natural gas reserves on our properties, could result in the cost of our proved and unproved properties not being recoverable and give rise to the need to record an impairment loss. Similarly, in the instance we determine the property is not recoverable, changes in the estimates and assumptions underlying the model used to derive the fair value of the properties in question may impact the output of the model, which could give rise to significant changes in the amount of impairment loss to record.

Revenue Recognition

We generate the majority of our revenues through the production and sale of natural gas and NGLs. The majority of these sales contracts are short term in duration and the associated revenue is recognized once control of the distinct good identified in the contract transfers to the customer at the delivery point specified within the contract. We must use a level of estimation in determining the initial amount of revenue to recognize in connection with the sale of natural gas and NGLs. Specifically, we must estimate the per-unit prices associated with a sales order, as they are variable and based on commodity pricing. Additionally, we must estimate the sales volumes using company-measured volume readings. We subsequently true up estimated revenue to actual revenue upon receipt of actual prices and volumes from our purchasers, which for natural gas and NGL sales occurs within one month of product delivery. Historically, differences between estimated revenue and actual revenue have not been material but have potential to be in the instance our price or volume estimates are inaccurate.

We also generate revenues through our non-operated midstream interests. Midstream revenues are recognized when services are rendered based on the stated contractual rates and the volumes of product transported and measured in accordance with the underlying contract. We must estimate the volume of products transported using third-party data in determining the initial amount of revenue to recognize. We subsequently adjust estimated revenue to actual revenue upon receipt of actual volume data from the operator, which is typically within three months of completion of product transportation. Historically, differences between estimated revenue and actual revenue have not been material but have potential to be in the instance our volume estimates are inaccurate.

Derivative Instruments

We enter into commodity derivative instruments to reduce the effect of price volatility on a portion of our future natural gas and NGL production. Derivative instruments are with counterparties of high credit quality and are subject to master netting agreements, and accordingly, the risk of nonperformance by the counterparties is low. However, these activities may prevent us from realizing the full benefits of price increases above the levels of the derivative instruments on a portion of our future natural gas and NGL production.

The accounting for the fair value of a derivative and changes thereto depends on the intended use of the derivative and the resulting designation. We have not designated any of our derivative contracts as fair value or cash flow hedges for accounting purposes and therefore we do not apply hedge accounting to the commodity derivative instruments. Rather, the changes in fair value are recognized in the consolidated statements of operations as net realized and unrealized gains and losses on derivative instruments in the period of change.

Acquisitions

We account for business combinations in accordance with ASC Topic 805, *Business Combinations*. Pursuant to the guidance, we allocate the aggregate purchase consideration transferred to affect the business combination to the assets acquired and liabilities assumed based on their fair values as of the acquisition date. Any excess or shortage of the purchase price over the fair value of the assets acquired and liabilities assumed is recognized as goodwill or a gain on bargain purchase, respectively. The amount of goodwill or gain on bargain purchase recorded in a business combination can vary significantly depending on the fair value allocated to the assets acquired and liabilities assumed. Further, in many cases, the valuation of these assets and liabilities requires use of various estimates and assumptions and the exercise of significant judgment about future events.

In transactions where substantially all the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets, the acquisition is treated as an asset acquisition rather than a business combination. We account for asset acquisitions using a purchase price allocation through which the total transaction value is determined by aggregating the base purchase price, certain closing adjustments, and contingent consideration, if any. The total transaction value is then allocated to the acquired assets on a pro rata basis based on their fair values. The determination of fair values of assets acquired requires the Company to make estimates and select valuation techniques, both of which require the exercise of management judgment.

The contingent consideration first reported in the year ended December 31, 2020 was generated from the Devon Barnett Acquisition. The fair value of the contingent consideration as of December 31, 2021 and 2020 represents management's best estimate if a third party were paid to assume the contingency. The fair value was determined using forecasted monthly Henry Hub prices, WTI prices and the application of Monte Carlo simulations. This contingency, including the settlement, is described further in "*Note 15 — Commitments and Contingencies*" to our audited historical consolidated financial statements and "*Note 14 — Commitments and Contingencies*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Future results of operations for any quarterly or annual period could be materially affected by changes in our assumptions.

Equity-based Compensation

Pursuant to the BKV Corporation 2021 Long Term Incentive Plan (the "2021 Plan"), time-vested restricted stock units ("TRSUs") and performance-vested restricted stock units ("PRSUs") may be granted to eligible participants. In each of January 2021 and 2022, we made annual grants of TRSUs under the 2021 Plan. The 2021 Plan will be terminated by the board of directors in connection with this offering and no further awards will be made thereunder. We recognize compensation cost related to these equity-based awards in the consolidated financial statements on a straight-line basis based on estimated grant date fair value, as if all four tranches of the TRSUs were granted at once, rather than being granted on an annual basis over four years. Under the 2021 Plan, if a participant's employment is terminated for any reason other than the participant's resignation or, if a participant's employment is terminated due to his or her voluntary resignation and more than 36 months has passed since the participant's first grant of an incentive award under the 2021 Plan, in each case where the Company had not repurchased the participant's shares of common stock acquired under the 2021 Plan, the participant will have the right to elect to sell such shares back to the Company at an amount equal to the fair market value of the shares at the time the election to sell was made. In November 2021, this put right was amended so that it could not be exercised for at least 181 days following the date the participant's award vests and a "Sell Fund Purchase Program" was implemented whereby, if specifically provided for in an award agreement, participants have the ability to tender shares for repurchase by the Company.

The TRSUs we are authorized to grant include service conditions and the PRSUs we are authorized to grant include service conditions, market performance conditions, and non-market performance conditions. In January 2021, we anticipated that we would have made four annual grants of TRSUs under the 2021 Plan in each of 2021, 2022, 2023 and 2024, subject to continued employment, the continuation of the 2021 Plan and other factors; however, there was and is no obligation to make any future grants and any such grants would require approval by our board of directors. Although the TRSUs anticipated to be granted in each of 2022, 2023 and 2024 were not actually granted to the participants when their initial TRSU award was granted, for accounting purposes, the grant date fair value of the anticipated (but not yet granted) TRSUs was determined, based on the service condition and utilizing the fair market value of common stock on the date the 2021 TRSUs were granted. The grant date fair value of the PRSUs was determined based on the service conditions, market performance conditions, and non-market performance conditions of the award on the grant and utilizing the fair market value of common stock on the grant date and Monte Carlo simulations, as well as probability assessments relative to the satisfaction of non-market performance conditions. In connection with the change to the put right to implement the 181-day holding period after vesting, an additional charge was recognized with respect to both the TRSUs and PRSUs, given that the fair market value of the common stock on the date of modification had increased from the fair market value on the original grant date.

Compensation cost is recognized ratably on a straight-line basis over the applicable service period. Forfeitures are estimated and recognized over the applicable service period and are re-evaluated at the end of each reporting period. We expect to recognize the forfeitures of the 2023 and 2024 anticipated TRSUs in connection with this offering and the subsequent termination of the 2021 Plan.

We believe that our board of directors, with input from management and the support of third-party valuations, has the relevant experience and expertise to determine the fair value of our common stock. Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, numerous objective and subjective factors were considered when determining the best estimate of the fair value of our common stock at each grant date. These factors include:

- the lack of marketability of our common stock;
- our operating and financial performance;
- current business conditions and projections;
- hiring of key personnel and the experience of our management;
- the history of the Company;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

In valuing our common stock, the fair value of our business was determined using various valuation methods, including combinations of income and market approaches with input from management. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate that is derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or engaged in similar business operations as of each valuation date and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of the subject company to comparable public companies engaged in similar business operations. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial forecasts to estimate the value of the subject company.

Application of these approaches and methodologies involves the use of estimates, judgments, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and future cash flows, discount rates, market multiples, the selection of comparable public companies, and the probability of and timing associated with possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

Once our stock is publicly traded, the fair value of each share of underlying common stock will be determined based on the closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

Impairment of Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired through the Corporatization Event described in "*Note 19 — Corporatization Event*" to our historical consolidated financial statements included elsewhere in this prospectus. Impairment may occur if the reporting unit's carrying value exceeds its fair value. Due to the nature of the goodwill arising from the acquisition of Kalnin Ventures, as is described further in "*Note 19 — Corporatization Event*," the Company's goodwill is tested at the reporting unit level, which for the Company is at the consolidated level due to the Company having one identifiable operating segment or reporting unit. Under the provisions of ASC Topic 350, Intangibles — Goodwill and Other, we perform an impairment test for goodwill at least annually or when events and circumstances indicate the carrying value may not be recoverable. In performing the required impairment tests, we have the option to first assess qualitative factors to determine if it is necessary to perform a quantitative assessment for goodwill impairment. If the qualitative assessment concludes that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, a quantitative assessment is performed.

Our quantitative assessment utilizes present value (discounted cash flow) methods to determine the fair value of the reporting units with goodwill. Determining fair value using discounted cash flows requires considerable judgment and is sensitive to changes in underlying assumptions and market factors. Key assumptions relate to revenue growth, projected operating income growth, terminal values, and discount rates. If current expectations of future growth rates and margins are not met, or if market factors outside of the Company's control, such as factors impacting the applicable discount rate, or economic or political conditions in key markets change significantly, then goodwill allocated to the reporting unit may be impaired. Management determined there were no circumstances indicating the carrying value may not be recoverable during the years ended December 31, 2021 and 2020. There have been no impairments recorded related to goodwill as the results of the annual quantitative impairment test indicated the fair value of the assets of the group to be greater than the carrying value as of December 31, 2021 and 2020.

Litigation and Environmental Contingencies

In the ordinary course of business, we may at times be subject to claims and legal actions. Management does not believe the impact of such matters will have a material adverse effect on our financial position or results of operations.

We are subject to extensive federal, state, and local environmental laws and regulations, which may materially affect our operations. These laws, which are constantly changing, regulate the discharge of materials into the environment and may require us to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites.

In our acquisition of existing assets, we may not be aware of what environmental safeguards were taken during the time such assets were operated, and it is possible we may acquire certain environmental liabilities along with such assets.

We maintain comprehensive insurance coverage that we believe is adequate to mitigate the risk of any adverse financial effects associated with these risks. However, should it be determined that a liability exists with respect to any environmental cleanup or restoration, the liability to cure such a violation could still fall upon us. No claim has been made, nor are we aware of any liability which we may have, as it relates to any material environmental cleanup, restoration, or the violation of any rules or regulations relating thereto.

Environmental expenditures are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed as incurred. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the cost can be reasonably estimated.

Recent Accounting Pronouncements

See "*Note 2 — Summary of Significant Accounting Policies*" to our historical consolidated financial statements included elsewhere in this prospectus for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations.

Quantitative and Qualitative Disclosure About Market Risk

Commodity Price Risk and Hedging Activities

Our primary market risk exposure is in the price we receive for our natural gas and NGLs production. Pricing is primarily driven by spot regional market prices applicable to our U.S. natural gas production. Pricing for natural gas and NGLs has historically been volatile and unpredictable, and we expect this volatility to continue in the future. The prices we receive for our production depend on many factors outside of our control, including volatility in the differences between product prices at sales points and the applicable index price.

To mitigate some of the potential negative impact on our cash flows caused by changes in commodity prices, we enter into financial derivative instruments for a portion of our natural gas and NGLs production when management believes that favorable future prices can be secured.

Our financial hedging activities are intended to support natural gas and NGLs prices at targeted levels and to manage our exposure to natural gas and NGLs price fluctuations. These contracts may include commodity price swaps whereby we will receive a fixed price and pay a variable market price to the contract counterparty, producer collars that set a floor and ceiling price for the hedged production, enhanced three-way collars that set a floor and ceiling price for the hedged production with the potential for hedged volumes doubling above the ceiling price, or basis differential swaps. These contracts are financial instruments and do not require or allow for physical delivery of the hedged commodity. The derivative contracts outstanding as of September 30, 2022 and December 31, 2021 consisted of swaps, producer collars and enhanced three-way collars, subject to master netting agreements with each individual counterparty.

As of September 30, 2022 and December 31, 2021, we had in place natural gas swaps, producer collars, and enhanced three-way collars covering portions of our projected production through 2023. Our commodity hedge position as of December 31, 2021 is summarized in "*Note 5 — Derivative Financial Instruments*" to our historical consolidated financial statements included elsewhere in this prospectus.

We may enter into hedge contracts with a term greater than 24 months, and for no longer than 36 months, for up to 60% of our estimated production for the current year, 50% and 25% for the subsequent years, respectively. A $0.10 per Mcf decrease in NYMEX would have resulted in an $11.2 million increase in natural gas hedge revenues for the nine months ended September 30, 2022. A $1.00 decrease per Bbl of each NGL purity product price would have resulted in a $3.2 million increase in NGL hedge revenues for the nine months ended September 30, 2022. A $0.10 per Mcf decrease in NYMEX would have resulted in a $16.1 million increase in natural gas hedge revenues for the year ended December 31, 2021. A $1.00 decrease per Bbl of each NGL purity product price would have resulted in a $5.3 million increase in NGL hedge revenues for the year ended December 31, 2021.

Additionally, to reduce its exposure to fluctuations in the market price of electricity and natural gas, BKV-BPP Power enters into financially settled HRCOs, which are contracts for the financial purchase and sale of power based on a floating price of natural gas at a predetermined location using a predetermined conversion factor, or heat rate, required to turn the fuel input into electricity. BKV-BPP Power is exposed to basis risk in its operations when its derivative contracts settle financially and it delivers physical electricity on different terms. For example, if BKV-BPP Power enters into an HRCO, it hedges its electricity production based on an agreed price for that electricity, but physical electricity must be delivered to delivery points in the market it serves. BKV-BPP Power is exposed to basis risk between the hub price specified in the HRCO and the price that it receives for the sales of physical electricity. BKV-BPP Power attempts to hedge basis risk where possible, but hedging instruments are sometimes not economically feasible or available in the quantities that it requires. BKV-BPP Power's hedging activities do not provide it with protection for all of its basis risk and could result in economic losses and liabilities, which could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations,

cash flows and ability to pay dividends on our common stock. Additionally, by using derivative instruments to economically hedge exposure to changes in power prices, we could limit the benefit we would receive from increases in the power prices, which could have an adverse effect on our financial condition. For example, as of September 30, 2022, we had unrealized losses of approximately $3.0 million on two HRCOs as a result of increased power pricing. In the event BKV-BPP Power is not able to satisfy its obligations under the HRCO, it must purchase power at prevailing market price to satisfy the HRCO. Likewise, increases in power pricing could limit the benefit we receive under HRCOs and result in losses. Either such event could have a material adverse effect on the BKV-BPP Power Joint Venture, and thus on our business, financial condition, results of operations, cash flows and ability to pay dividends on our common stock.

All derivative instruments, other than those that meet the normal purchase and normal sale scope exception, are recorded at fair market value in accordance with GAAP and are included in our consolidated balance sheets as assets or liabilities. The fair values of our derivative instruments are adjusted for non-performance risk. Because we do not designate these derivatives as accounting hedges, they do not receive hedge accounting treatment; therefore, all mark-to-market gains or losses, as well as cash receipts or payments on settled derivative instruments, are recognized in our statements of operations. We present total gains or losses on commodity derivatives (for both settled derivatives and derivative positions which remain open) within operating revenues as “Derivatives (losses) gains, net.”

Mark-to-market adjustments of derivative instruments cause earnings volatility but have no cash flow impact relative to changes in market prices until the derivative contracts are settled or monetized prior to settlement. We expect continued volatility in the fair value of our derivative instruments. Our cash flows are only impacted when the associated derivative contracts are settled or monetized by making or receiving payments to or from the counterparty. As of September 30, 2022, the estimated fair value of our commodity derivative instruments was a net liability of $263.6 million, comprised of current assets and current and non-current liabilities. As of September 30, 2021, the estimated fair value of our commodity derivative instruments was a net liability of $366.7 million, comprised of noncurrent assets and current and non-current liabilities. As of December 31, 2021, the estimated fair value of our commodity derivative instruments was a net liability of $104.8 million, comprised of current and noncurrent assets and liabilities. As of December 31, 2020, the estimated fair value of our commodity derivative instruments was a net asset of $10.3 million, comprised of current and noncurrent assets and noncurrent liabilities.

By removing price volatility from a portion of our expected production through December 2023, we have mitigated, but not eliminated, the potential negative effects of changing prices on our operating cash flows for those periods. While mitigating the negative effects of falling commodity prices, these derivative contracts also limit the benefits we would receive from increases in commodity prices above the fixed hedge prices.

Counterparty Credit Risk

We routinely monitor and manage our exposure to counterparty risk related to derivative contracts by requiring specific minimum credit standards for all counterparties, actively monitoring counterparties’ public credit ratings, and avoiding concentration of credit exposure by transacting with multiple counterparties. Our commodity derivative contract counterparties are typically financial institutions with investment-grade credit ratings.

We enter into International Swap Dealers Association Master Agreements (“ISDA”) with each of our derivative counterparties prior to executing derivative contracts. The terms of the ISDA provide, among other things, the Company and the counterparties with rights of set-off upon the occurrence of defined acts of default by either us or counterparty to a derivative contract.

In addition, we utilize an unaffiliated third party to market all of our natural gas production to various purchasers, which consist of credit-worthy counterparties, including utilities, LNG producers, industrial consumers, major corporations and super majors, in our industry. We rely on the credit worthiness of such third party marketer, who collects directly from the purchasers and remits to us the total of all amounts collected on our behalf less their fee for making such sales. See “*Business — Customers and Product Marketing”* and “*Risk Factors — Risks Related to Our Upstream Business and Industry — A substantial percentage of our natural gas and NGL production is gathered, processed, and transported by a single third party and all of our natural gas production is marketed by a single third party*.”

Interest Rate Risks

As of September 30, 2022, our primary exposure to interest rate risk results from our outstanding related party borrowings with BNAC, the Term Loan Credit Agreement and the Revolving Credit Facilities, which have floating interest rates. As of September 30, 2022, we had outstanding borrowings with BNAC of $75.0 million, $130.0 million outstanding borrowings on our credit facilities, and an additional $570.0 million outstanding borrowings under the Term Loan Credit Agreement. The average annualized interest rate incurred on our outstanding borrowings during the nine months ended September 30, 2022 was approximately 6.2%. We estimate that a 1.0% increase in the applicable average interest rates for the nine months ended September 30, 2022 would have resulted in an immaterial increase in interest expense.

As of December 31, 2021, we had outstanding borrowings with BNAC of $166.0 million under the $116 Million Loan Agreement and the $50 Million Loan Agreement. As of December 31, 2021, we had no outstanding borrowings under the OCBC Credit Facility. The average annualized interest rate incurred on the BNAC borrowings during the year ended December 31, 2021 was approximately 5.4%. We estimate that a 1.0% increase in the applicable average interest rates for the year ended December 31, 2021 would have resulted in an immaterial increase in interest expense.

INDUSTRY

We primarily produce natural gas from our owned and operated upstream businesses, which we expect to achieve net zero Scope 1 and Scope 2 emissions by the end of 2025. The company was founded on acquiring and producing natural gas and we have expanded into a total of four business lines: natural gas production, natural gas gathering, processing and transportation, power generation and CCUS. We formally launched our CCUS business, BKV dCarbon Ventures, in March 2022, and then, in June 2022, we reached FID and entered into a definitive agreement with EnLink in connection with our first high concentration CCUS project in the Barnett, which we refer to as the Barnett Zero Project. Subsequently, in October 2022, we reached internal FID on our second CCUS project, which we refer to as the Cotton Cove Project. In addition, we expect to continuously identify and evaluate additional CCUS projects. CCUS projects and the sector generally are in their early stages and continue to evolve since the 2015 Paris Climate Agreement (the "Paris Agreement") drew global commitment to delivering a net-zero emission economy.

Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified above and may not be able to reach agreement on terms acceptable to us, or to achieve our projected timeline for commercial operations. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business*." In addition, we continue to evaluate the potential expansion of our integrated energy platform into retail power connectivity, while monitoring the potential impact the LNG industry may have on our business.

Carbon Capture, Utilization and Sequestration

CCUS involves the capture of CO_2 emissions and the processing of such emissions for reuse or permanent storage in subsurface geological formations, and is recognized as a primary means of reducing CO_2 emissions from large-scale energy and industry sources.

To advance the objectives outlined in the Paris Agreement, the United States released goals in 2021 that included delivering a net-zero emission economy by no later than 2050 (and 2035 for the electric power sector). According to the Global CCS Institute, the global CCUS industry must grow by more than a factor of 100 by the year 2050 to achieve Paris Agreement climate targets, equating to approximately 70 to 100 new facilities per year. As of September 2021, approximately 37 Mtpa of capture capacity is operational worldwide across 27 facilities, with an additional approximately 111 Mtpa planned in various development stages across 106 facilities. According to Global CCS Institute's Global Status of CCS 2021 ("Global Status of CCS 2021"), achieving long-term emissions targets will require installed CCUS capacity to increase to over 5,600 Mtpa by 2050 and an estimated capital investment of $655 billion to $1.280 trillion by 2050.

In Energy Technology Perspectives 2020, published by the International Energy Agency ("IEA"), the IEA estimated 80% of industrial facilities and power plants accounting for 85% of emissions are located within 100 kilometers of a potential storage site.

To stimulate investment in CCUS, the US Energy Act of 2020 provided over $6 billion for CCUS research and development programs, and in 2021, the U.S. Treasury and the Internal Revenue Service ("IRS") issued critical guidance on Section 45Q tax credits for carbon capture and storage, expanding its applications to a wider range of CCUS activities. In addition, the Inflation Reduction Act of 2022, which was signed into law on August 16, 2022, provides significant incentives for CCUS investment.

The current CCUS industry can be described as highly fragmented with a wide range of technologies and processes being evaluated for long-term viability across the value chain including capture, separation, compression, liquefaction, transportation, storage and utilization. According to Global Status of CCS 2021,

in the U.S. Midwest and Mid-Continent regions, several CCUS networks have been created to provide shared transportation and storage solutions, benefiting smaller projects that lack vertical integration.

Power Generation

The United States electricity market starts with utility-scale generators that generate electricity from fossil fuels, nuclear energy and renewable energy. Utility scale plants and other renewable energy sources sell electricity to the wholesale market, including electric utility companies, competitive power providers and electricity marketers, who then sell electricity to retail end-users.

The power industry consists of a variety of companies that are engaged in the generation or distribution of power, with most electric utility companies relying on natural gas to generate a portion of their power. According to the IEA, overall demand for electricity decreased during the initial phases of COVID-19, but has since increased as lockdowns subsided and manufacturing activities re-bounded. According to the IEA, global electricity demand rose by 6% in 2021 and is expected to rise by 2.4% in 2022.

In the near future, demand for retail electricity is expected to grow modestly, driven by increased consumption from commercial and industrial customers recovering from the pandemic. As of summer 2022, the IEA expects total U.S. retail sales of electricity to end-use customers to be 0.4% higher than summer 2021, and retail sales to the industrial sector to be 2.8% higher than summer 2021. Short-term demand for electricity can vary with weather conditions and economic shocks, which increases unpredictability. Because long-term demand depends on economic growth and efficiency improvements, the growth of the national economy directly impacts U.S. power consumption.

The sources for U.S. electricity have increasingly consisted of natural gas and renewable energy sources. While coal and nuclear energy sources have been declining, natural gas and renewable sources have been expanding their share of total electricity generation in the United States. According to the IEA, in 2021, natural gas grew to account for the largest share of total utility-scale electricity generating capacity in the United States at 38%, followed by renewables at 27%. According to the IEA, the share of natural gas-based electricity generation more than tripled from 12% in 1990 to 38% in 2021. Given the multi-year highs in natural gas procurement pricing and supply chain constraints, capital spending budgets and customer affordability concerns are expected to increase.

Liquified Natural Gas

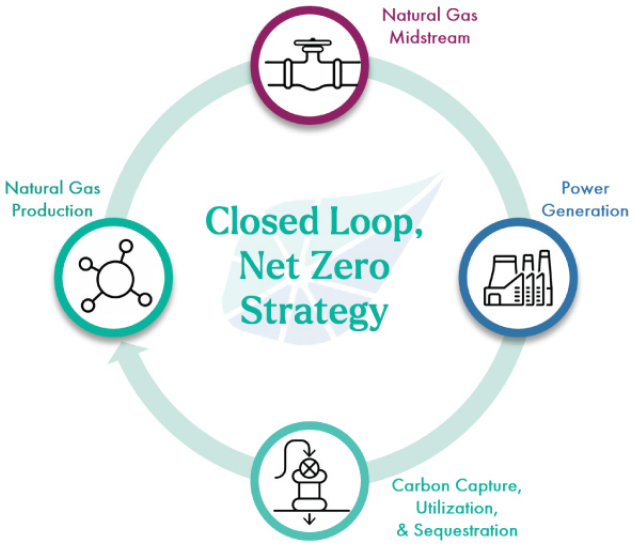
LNG is natural gas in its liquid phase after being super-cooled to -260°F. LNG is primarily used to store and transport gas between markets that have limited natural gas pipeline connectivity. Once natural gas is delivered to an LNG facility, the gas is liquified and shrunken to approximately $1/600^{th}$ of its original volume. Then, the LNG is loaded onto carriers that have large cryogenic tanks onboard for oceanic transport. At receiving terminals, the LNG is transitioned back into its original gaseous state. From there, the regassified gas is either stored or transported via pipeline to end-consumers like power plants, industrial facilities, and residential communities.

In the wake of the Russian invasion of Ukraine, Europe is diversifying its natural gas supply towards LNG alternatives because, according to the IEA, close to 40% of total EU gas demand is sourced from Russia. According to the IEA, the United States has exported 74% of its LNG to Europe though the first four months of 2022, representing more than double the 2021 average of 34%. According to the IEA and FERC, because U.S. LNG utilizations are at all-time highs at 91%, an additional 4 Bcf/d capacity is currently under construction, and another 27 Bcf/d in capacity has been approved by FERC. Current market dynamics have poised LNG for expansion, particularly in the U.S. Gulf Coast, where approximately 90% of the U.S. LNG build is slated, according to FERC. The Barnett region is approximately 300 miles from the Gulf Coast LNG market. Producers are capitalizing on these dynamics by entering into supply agreements that provide a take-or-pay style fixed liquefaction fee for the LNG facility and efficient access to the global gas markets. Upstream producers with exposure to international LNG natural gas prices are expected to provide a baseline of pricing support for Texas and Louisiana-based natural gas producers with pipeline connectivity to the Gulf Coast.

BUSINESS

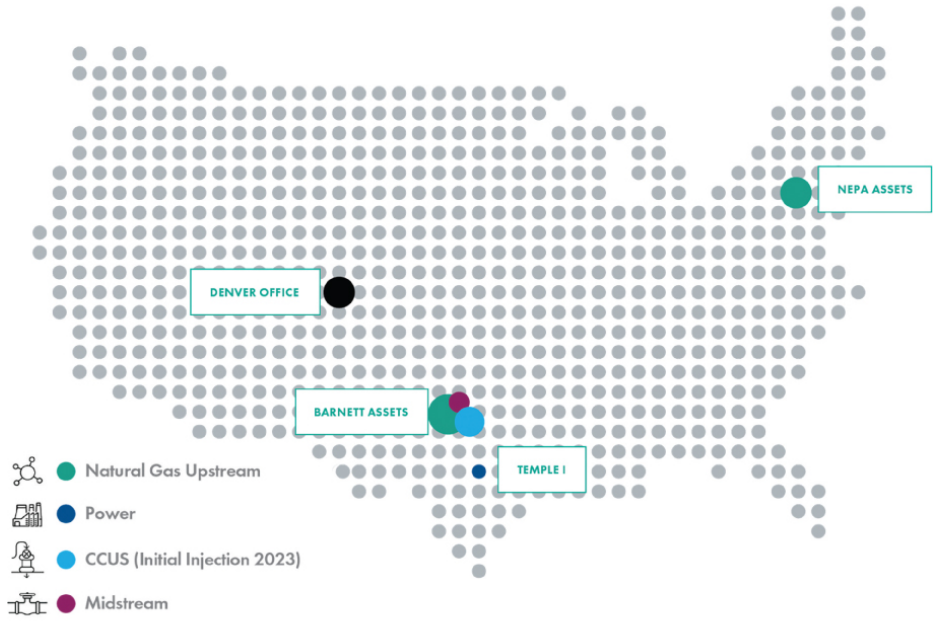
Overview

We are a forward thinking, growth driven energy company focused on creating value for our stockholders through the organic development of our properties as well as accretive acquisitions. Our core business is to produce natural gas from our owned and operated upstream businesses, which we expect to achieve net zero Scope 1 and Scope 2 emissions by the end of 2025. We maintain a "closed-loop" approach to our net zero emissions goal with our four business lines: natural gas production, natural gas gathering, processing and transportation (our "natural gas midstream business"), power generation and carbon capture, utilization and sequestration ("CCUS"). We are committed to building a vertically integrated business to reduce costs and improve overall commercial optimization of the full value chain. For instance, our natural gas production in the Barnett is gathered and transported through our midstream systems, and we are seeking to establish arrangements to supply our natural gas production directly to the BKV-BPP Power Joint Venture. We believe that our differentiated business model, net zero emissions focus, highly experienced management team and technology-driven approach to operating our business will enable us to create stockholder value.



We understand the impact climate change has on our community, the world and future generations, which is why addressing these impacts in how energy is produced is a top priority. In particular, it is one of our core values, "Be One BKV," to create a unified team with a shared vision to achieve our ESG goals.

BKV Assets



Overview of BKV Assets

Natural Gas

	Nine Months Ending Sept '22 Net Production (MMcfe/d)	Sept '22 SEC 1P Reserves (Tcfe)	Producing Wells	Net Acres
Barnett	731	5.4	6,975	468,000
NEPA	133	0.93	408	37,000
Total	864	6.33	7,383	505,000

Operated Midstream

	As of Sept '22 Throughput (Mmcf/d)	Pipeline Miles	Midstream Compressors
Barnett	220	778	65

Power

	Location	Heat Rate Btu/kWh	Capacity MW+
Temple 1	Bell County, TX	6,950	755

Our Operations

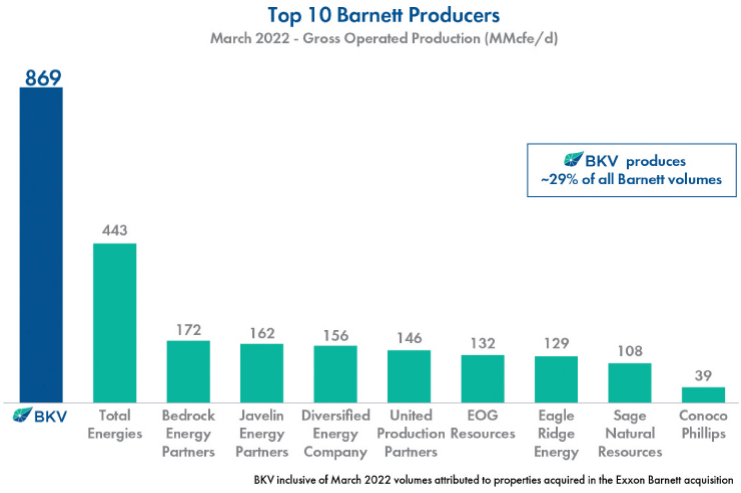
Natural Gas Production

We are engaged in the acquisition, operation and development of natural gas and NGL properties primarily located in the Barnett and in NEPA. Our upstream assets are the core of our business and provide us with substantial Adjusted Free Cash Flow, which we expect will be sufficient to fund our capital expenditure program, enhance stockholder value and support future acquisitions across our four business lines while maintaining a conservative balance sheet. We have a balanced portfolio of low decline producing properties and undeveloped inventory, primarily in the Barnett. Additionally, our focus on operational efficiencies, access to BKV-owned and third-party midstream systems, and proximity to natural gas demand markets along the Gulf Coast and Northeast corridor allow us to generate high margins.

As of September 30, 2022, our total acreage position was approximately 505,000 net acres, 99% of which was held by production. As of September 30, 2022, our net daily production (after giving effect to the Exxon Barnett Acquisition) averaged 864 MMcfe/d, consisting of approximately 79% natural gas and approximately 21% NGLs. As of September 30, 2022, our total proved reserves of 6,332 Bcfe had an estimated 7% year-over-year average base decline rate over the next 10 years. We have more than 10 years of core inventory remaining, with attractive returns, based on a 1 to 1.5 rigs per year pace, including 196 proved undeveloped, 162 probable and 150 possible horizontal locations, and 652 proved developed non-producing, 738 probable, and 294 possible refrac candidates. Based on current commodity prices, the capital investment required to hold production flat year-over-year is less than approximately 30% of our annual Adjusted EBITDAX. Adjusted EBITDAX is not a financial measure calculated in accordance with GAAP. See "— *Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of this measure and a reconciliation to the most directly comparable GAAP measure.

We entered the Barnett in October 2020 with our acquisition of the 2020 Barnett Assets from Devon Energy. On June 30, 2022, we further scaled our Barnett position by acquiring approximately 175,000 net acres, 2,100 operated wells and related upstream, midstream and other assets in the Exxon Barnett Acquisition. As of September 30, 2022, our Barnett acreage position was approximately 468,000 net acres, which is approximately 99% held by production. Our average daily Barnett production of approximately 731 MMcfe/d for the nine months ended September 30, 2022 consisted of 75% natural gas and 25% NGLs. We had an average working interest in our operated wells in the Barnett of approximately 96.1% as of September 30, 2022 and an Effective NRI in the Barnett of approximately 80.37%.

We are the largest natural gas producer by gross operated volume in the Barnett. Based on information published by the TRRC, the chart below illustrates our gross operated production volumes in the Barnett (including the Exxon Barnett Acquisition), which represent approximately 29% of the total Barnett production, and nearly double that of the next largest producer in the Barnett for the month of March 2022.



We entered NEPA in 2016 and have subsequently scaled our position through 12 acquisitions. As of September 30, 2022, our acreage position was approximately 37,000 net acres, which is approximately 94% held by production. Our average net daily production of 133 MMcfe/d for the nine months ended September 30, 2022 consisted entirely of natural gas. We had an average working interest in our operated wells in NEPA of 89%, as of September 30, 2022.

Natural Gas Midstream

Through our ownership in midstream systems, we are engaged in the gathering, processing and transportation of natural gas (which we refer to as our natural gas midstream business) that supports our upstream assets and third-party producers in the Barnett and NEPA. Our midstream assets improve our overall corporate returns by enhancing our margins and lowering our break-even operating costs while allowing us to manage the timing, development and optimization of production of our upstream assets. In the Barnett, as of September 30, 2022, approximately 220 MMcf/d of our gross production (approximately 29% of our total gross Barnett production) was gathered and processed by our owned Barnett midstream system, which includes approximately 778 miles of gathering pipeline, 65 midstream compressors and one amine processing unit. Additionally, our owned Barnett midstream system has over 200 MMcf/d in unutilized pipeline and processing capacity, providing room to increase throughput (from our own production and for third-party volumes) while maintaining optimal operating pressure with limited additional capital investment required. We also believe we have ample dedicated capacity on third party midstream systems for our expected production and future development. In NEPA, as of September 30, 2022, we had an approximate 29.4% non-operated ownership interest in a midstream system, which is operated by subsidiaries of Repsol, with throughput of approximately 174 MMcf/d, and we separately own and operate approximately 16 miles of natural gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units.

Power Generation

We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which owns Temple I, a newly-constructed, modern combined cycle gas and steam turbine power plant located in the Electric Reliability Council of Texas (“ERCOT”) North Zone in Temple, Texas. The remaining 50% interest is owned by BPPUS, a wholly owned subsidiary of Banpu Power and an affiliate of our sponsor, Banpu. Temple I has an annual average power generation capacity of 755 MW and delivers power to customers on the ERCOT power network in Texas. Temple I is among the most efficient generators supplying power to ERCOT, with a baseload design heat rate of approximately 6,950 Btu/kWh, which is well below the ERCOT CCGT average. Temple I’s modern technology enables it to respond to rapidly changing market signals in real time by minimizing congestion risk and ensuring the highest operational readiness during the time when electricity consumption peaks (in winter and summer), making it well-suited to serve the various needs of the ERCOT market. We expect our power generation assets will be synergistic with our base upstream business. In the near term, we will seek to establish midstream contracts that allow us to supply our own natural gas directly to Temple I and its firm intrastate natural gas storage service at the Bammel storage facility. Supplying our own natural gas to Temple I will reduce gas transportation costs and create reciprocal natural hedges for both businesses via vertical integration. Additionally, we leverage our existing organization to provide marketing, engineering, finance, accounting and other administrative services to the BKV-BPP Power Joint Venture for an annual fee plus expenses. In addition, the BKV-BPP Power Joint Venture is in the process of developing a retail marketing business to sell electricity to commercial, industrial, and residential retail customers in Texas through its wholly owned subsidiary, BKV-BPP Retail, LLC, and has recently received the necessary approvals from the Public Utility Commission of Texas and ERCOT to do so. We intend to continue to build out our power generation business through opportunistic acquisitions of power generation assets and to expand into retail power, which would enable us to ultimately provide net zero wellhead-to-household energy to the end-consumer.

Carbon Capture, Utilization and Sequestration

Through our CCUS business, we aim to reduce man-made GHG emissions by capturing CO_2 emitted in connection with natural gas activities, whether from our own operations or third party operations, as well as from other energy and industrial sources. Our process involves capturing CO_2 before it is released into

the atmosphere and then compressing the captured CO_2 and transporting it via pipeline to sites where it can be injected into UIC wells. Although we formally launched our CCUS business in March 2022 with the establishment of BKV dCarbon Ventures, we have been evaluating project opportunities and developing our CCUS business for over 20 months. The development of our CCUS business has progressed rapidly, supported by internal engineering, business development and regulatory professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, we will begin generating positive CCUS business returns via tax credits and other tax benefits by the end of 2023, and we expect to begin generating positive Adjusted EBITDAX in 2025. We currently expect to be capable of funding our entire CCUS business with cash flows from operations, as well as from a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants.

We seek to execute CCUS projects with attractive standalone economics for high, medium and low CO_2 concentration streams that contribute to our goals of the full elimination and/or offset of the Scope 1 and 2 emissions in our owned and operated upstream businesses by the end of 2025 and of the Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. We estimate that our owned and operated upstream Scope 1 and 2 emissions were approximately 2.2 Mtpy CO_2e as of September 30, 2022 and that our owned and operated upstream Scope 1, 2 and 3 emissions were approximately 16.1 Mtpy CO_2e as of September 30, 2022. See "*— Path to Net Zero Emissions*" below for a description of how we estimate our Scope 1, 2 and 3 emissions. Additionally, we have identified twelve potential CCUS projects that we believe are commercially viable based on economics supported by Section 45Q tax credits and that we believe can be completed by 2029 in order to achieve our Scope 1, 2 and 3 emissions goals. Of these twelve identified projects:

- we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, which have a combined forecasted sequestration volume of approximately 0.27 Mtpy CO_2e by the end of 2024;
- three are NGP projects that we anticipate reaching FID by December 31, 2023 and, if FID is approved, achieving forecasted sequestration volume of approximately 1.39 Mtpy CO_2e by the end of 2025;
- three are higher concentration industrial projects that we anticipate reaching FID by the end of 2023 and, if FID is approved, achieving first sequestration between 2026 and 2029 and which have a combined forecasted sequestration volume of approximately 14.5 Mtpy CO_2e; and
- four other CCUS projects are under evaluation that have a combined forecasted sequestration volume of approximately 13.24 Mtpy CO_2e.

In addition, we expect to continuously identify and evaluate additional CCUS projects. While the aggregate forecasted volume of carbon capture and sequestration from our twelve identified potential CCUS projects is approximately 30 Mtpy CO_2e, which is more than our current Scope 1, 2 and 3 emissions from our owned and operated upstream businesses, we do not anticipate achieving an aggregate yearly volume of sequestration of 30 Mtpy CO_2e by the early 2030s and there can be no guarantee that we will be able to execute and complete any of the twelve identified CCUS projects (or any other CCUS projects) with sufficient volumes of CO_2e sequestration to achieve our Scope 1, 2 and 3 emissions goals on the timelines we anticipate. Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified above and may not be able to reach agreement on terms acceptable to us, or to achieve our projected timeline for commercial operations. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business.*"

Barnett Zero Project

In June 2022, we reached FID and entered into a definitive agreement in connection with our first high concentration CCUS project in the Barnett with EnLink. This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production. In the Barnett Zero Project, EnLink will transport our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO_2 waste stream will be captured, compressed and then sequestered via our nearby injection well. We expect the Barnett Zero Project to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We estimate this initial CCUS project will represent more than 8% of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, with the first injection scheduled for the second half of 2023. Following commencement of commercial operations of our project with EnLink, we intend to use this project as a prototype for modular projects that can be repeated and quickly scaled.

Cotton Cove Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described above. As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025. See "— *Path to Net Zero Emissions.*"

BKVerde

In August 2022, we entered into a development agreement with Verde CO2, an independent carbon capture and sequestration developer and operator, to identify, evaluate and develop additional CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement. We currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations. See "— *Recent Developments — CCUS Project Development with Verde CO2.*"

Additional Projects

In addition to the Barnett Zero Project and the Cotton Cove Project, we have identified three potential NGP projects that we expect to reach FID by year end 2023. A significant portion of the carbon capture

infrastructure and midstream infrastructure necessary to execute these potential NGP projects already exists. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable, we expect these projects to start sequestration operations before December 31, 2025. We expect these three NGP projects to have individual sequestration volumes of approximately 0.29, 0.5 and 0.6 Mtpy CO_2e, respectively, and a combined aggregate sequestration volume of approximately 1.39 Mtpy CO_2e. The volume of forecast sequestration from these projects, together with approximately 0.27 Mtpy CO_2e expected to be sequestered by the Barnett Zero Project and the Cotton Cove Project (all together having a combined forecast sequestration volume of approximately 1.66 Mtpy CO_2e), would be capable of offsetting more emissions by December 31, 2025 than our remaining Scope 1 and 2 emissions from our owned and operated upstream businesses (estimated to be approximately 0.61 Mtpy CO_2e, after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power). See "— *Path to Net Zero Emissions.*" However, we have not reached FID or entered into definitive agreements for any of these three additional NGP projects and we may not complete all or any of these three additional NGP projects by December 31, 2025, in which case, we may not be able to achieve our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses by the end of 2025.

We are currently evaluating and have begun commercial discussions with respect to seven additional CCUS projects. Three of these seven additional CCUS projects are potential industrial projects that we anticipate will reach FID by the end of 2023. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect to initiate sequestration operations between 2026 and 2029. We expect these three potential industrial CCUS projects to have a combined aggregate sequestration volume of approximately 14.5 Mtpy CO_2e. We anticipate that the remaining four potential CCUS projects may reach FID during or after 2024. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect such projects to begin sequestration operations between 2026 and 2029. We expect these four potential CCUS projects to have a combined aggregate sequestration volume of approximately 13.24 Mtpy CO_2e. These seven potential CCUS projects have a combined forecasted sequestration volume of approximately 27.74 Mtpy CO_2e. We believe that we will be able to complete a sufficient number of these or other CCUS projects in order to meet our Scope 1, 2 and 3 emissions goals by the early 2030s. See "— *Path to Net Zero Emissions*" for a more detailed description of how we anticipate reaching our Scope 1, 2 and 3 emissions goals.

We estimate the aggregate investment required by us to offset all of our Scope 3 emissions through a sufficient number of the identified potential CCUS projects and associated carbon credits, to be between approximately $1.3 billion and $1.8 billion over the next seven to ten years. We expect to be capable of funding this investment cost through our cash flows from operations, as well as a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants. We are able to moderate the capital required to fund our CCUS business, as our CCUS business model provides flexibility for us to selectively invest in only the sequestration component of a project or in the capture, transportation and sequestration components, depending on the scope of the project. In addition, we anticipate that some of the project costs will be borne by third party investors in these projects, including emitters, landowners and other stakeholders.

We believe we can achieve our goal of net zero Scope 1, 2 and 3 emissions for our owned and operated upstream businesses by the early 2030s if we are able to complete the minimum number of these identified CCUS projects having a sufficient forecasted volume of carbon capture to offset those emissions on the timeline and upon terms that we believe are obtainable. However, large scale CCUS projects are subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all, in which case, we may not be able to achieve our net zero emissions goals on the timelines we have established.

To help us achieve our goal of becoming a leader in CCUS, we established a steering committee that includes two engineers renowned for their work in the development of CCUS projects: Dr. Paitoon (P.T.) Tontiwachwuthikul (Professor of Industrial & Process Systems Engineering & Fellow, Canadian Academy of Engineering) and Dr. Malcolm A. Wilson (Program Director, CO2 Management, Office of Energy & Environment (OEE), Adjunct Professor of Engineering and Graduate Studies). These individuals are

professors at the University of Regina, a leading carbon capture research institution, and each has been engaged in CCUS for over 30 years.

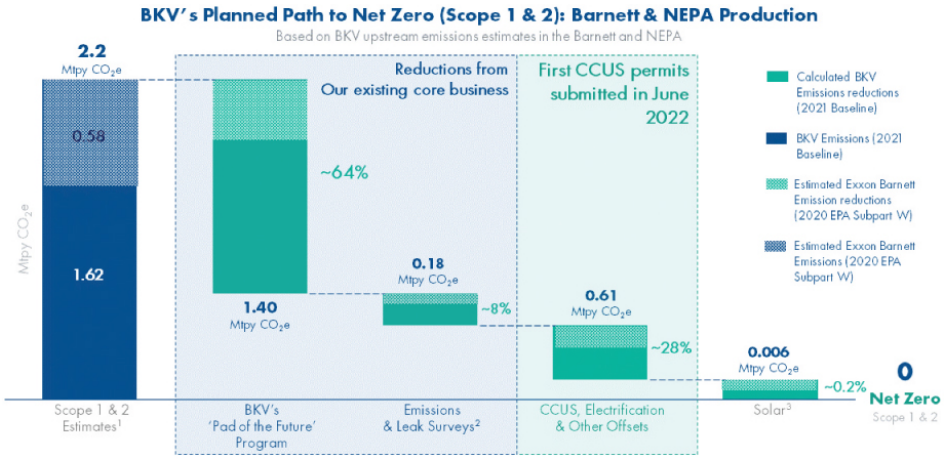
For more information on our CCUS business, see " *Business — Overview — Our Operations — Carbon Capture, Utilization and Sequestration," and "Business — Our Operations — Carbon Capture, Utilization and Sequestration*."

Path to Net Zero Emissions

We estimate that our owned and operated upstream Scope 1 and 2 emissions were approximately 2.2 Mtpy CO_2e as of September 30, 2022. Our estimates are based on information with respect to our operated assets in the Barnett and NEPA through fiscal year 2021 and reported by BKV pursuant to the Subpart W requirements of the federal Clean Air Act GHG reporting program regulations of the EPA and supplemented with additional inventories that are not required to be reported under Subpart W, as well as 2020 Subpart W emission information submitted by XTO Energy, Inc. for the assets acquired in the Exxon Barnett Acquisition. We will further evaluate these estimates as a part of our combined Subpart W submission for calendar year 2022 and will factor in additional inventory efforts performed during 2022. These estimates fluctuate throughout the year and will be updated on an annual basis to reflect any changes in inventory, production throughput, and emissions reduction retrofits or equipment modifications.

We estimate that our owned and operated upstream Scope 3 emissions were approximately 13.9 Mtpy CO_2e as of September 30, 2022. Our Scope 3 GHG emissions are currently estimated in accordance with IPIECA's "Sustainability reporting guidance for oil and gas industry", dated March 2020, specifically for Scope 3 emissions as estimated per Category 11 (Use of Sold Product). Scope 3 emissions estimated using source Category 11 represent the majority of Scope 3 emissions from our operations with minor contributions from other source categories. Additionally, our estimated Scope 3 emissions calculations assume that all natural gas produced is combusted and does not account for other potential end use of natural gas. Scope 3 mass emissions are calculated using the EPA's prescribed emissions factors for the speciated natural gas (methane and ethane) as well as NGLs assuming Y-grade NGLs. CO_2e emissions are estimated using AR4 Global Warming Potentials, similar to those used by the EPA. Our projected Scope 3 CO_2e emissions are estimated at an approximated year-end production volume of 900 million standard cubic feet net equivalent per day of gas, with an approximate split of 80% natural gas (95% methane and 5% ethane) and 20% NGLs. Our NGL constituents are estimated based on average constituent NGL barrel. Allocating the entire 900 million standard cubic feet net equivalent per day towards combustion as the end use, applying suitable combustion emission factors from the EPA, and using AR4 GWPs, Scope 3 emission from our owned and operated upstream operations are estimated to be approximately 13.9 Mtpy CO_2e. We currently engage third party consultants to develop, estimate and review our Scope 3 emissions.

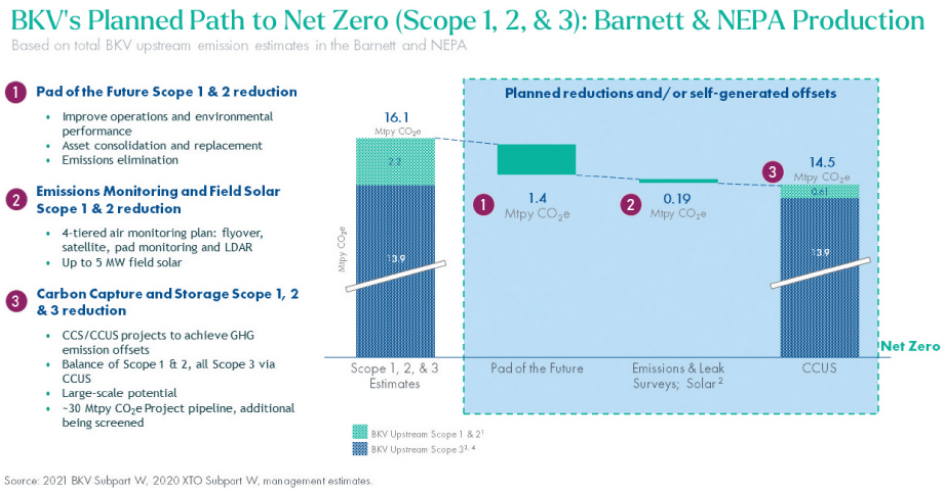
The charts below reflect (i) our owned and operated upstream Scope 1 and 2 emissions estimates as of September 30, 2022, including Scope 1 and 2 emissions estimates from the Exxon Barnett Acquisition, and (ii) our owned and operated upstream Scope 3 emissions estimates as of September 30, 2022, including Scope 3 emissions estimates from the Exxon Barnett Acquisition. These two charts also reflect our intended path to net zero Scope 1 and 2 emissions by the end of 2025 and net zero Scope 1, 2 and 3 emissions by the early 2030s, in each case, for our owned and operated upstream businesses. We intend to achieve these goals through our "Pad of the Future" emissions reductions, emissions and leak surveys, and installing solar power and executing CCUS projects.



(1) Scope 1 and 2 calculated emissions are based on 545 MMscf/d production volume for 2021 BKV Subpart W in the Barnett, 167 MMscf/d production volume for 2021 BKV Subpart W in NEPA, and 352 MMscf/d production volume with respect to the acquired Exxon Barnett assets based on 2020 Subpart W submissions.

(2) Emissions surveys to accomplish a one-to-two month leakage review period versus 12-month period which must have regulatory updates (current proposed OOOO.b,c) to include continuous flyover/satellite technology sensitivities.

(3) Installation of a 2.5 MW to 5 MW solar farm. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW.



Source: 2021 BKV Subpart W, 2020 XTO Subpart W, management estimates.

(1) Scope 1 and 2 calculated emissions are based on 545 MMscf/d production volume for 2021 BKV Subpart W in the Barnett, 167 MMscf/d production volume for 2021 BKV Subpart W in NEPA, and 352 MMscf/d production volume with respect to the acquired Exxon Barnett assets based on 2020 Subpart W submissions.

(2) Emissions surveys to accomplish a one-to-two month leakage review period versus 12-month period which must have regulatory updates (current proposed OOOO.b,c) to include continuous flyover/satellite technology sensitivities. Installation of a 2.5 MW to 5 MW solar farm. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW.

(3) Scope 3 calculated emissions are based on an estimated net production rate of approximately 900 MMscfe/d (approximately 730 MMscf/d of gas and 28,000 Bbl/day of NGLs).

(4) Scope 3 calculated emissions are estimated assuming fuel-based usage of all produced natural gas and NGLs. Approximately 58% of NGLs are assumed to be combusted for fuel while 100% of all natural gas produced is assumed to be combusted for fuel. Scope 3 emissions estimation methodology is therefore considered to be conservative.

Planned Path to Net Zero (Scope 1 and 2)

Our "Pad of the Future" program implements pad level design improvements to reduce pad level usage of natural gas, reduce GHG emissions, and maintain operational continuity. As of September 30, 2022, we had implemented elements of our "Pad of the Future" on approximately 2,200 of our existing wells, thereby eliminating an aggregate of approximately 0.51 Mtpy CO_2e in GHG emissions from commencement in the fourth quarter of 2021 through such date. These reductions are calculated by using our pneumatic and other pad inventories and such emissions are factored to be eliminated once the system has been converted from natural gas supplied to compressed air or electric. We expect to implement elements of our "Pad of the Future" program on more than 6,000 of our existing wells by the end of 2025 for an aggregate estimated cost of approximately $36.9 million. Once this expansion is completed, we expect to eliminate an aggregate of approximately 1.40 Mtpy CO_2e, or approximately 64%, of the currently estimated annual Scope 1 and 2 emissions from our owned and operated upstream businesses.

Our leak detection and repair emissions monitoring program involves continuous ground-based instrument monitoring, satellite-based monitoring, aerial flyovers, and on the ground leak detection and repair inspections. In addition, we expect to install a 2.5 MW to 5 MW solar farm, which is scheduled to begin generating power in the second quarter of 2023. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW. For every 1,000 kilowatt-hours of electricity produced by an eligible solar facility, one SREC is awarded. For a solar facility to be credited with that SREC, the system must be certified and registered by state agencies. The solar farm is expected to generate enough SRECs that, when combined with our leak detection and repair emissions monitoring program, is expected to eliminate or offset approximately 0.18 Mtpy CO_2e in GHG emissions.

Further, as discussed under "— *Carbon Capture, Utilization and Sequestration*" above, we believe that the Barnett Zero Project and the Cotton Cove Project, together with the three additional NGP projects that we have identified, are capable of offsetting more than the approximately 0.61 Mtpy CO_2e of the Scope 1 and 2 emissions from our owned and operated upstream businesses that we currently estimate will remain after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power. Although no definitive agreements have been entered into with respect to any of these additional NGP projects, we expect all three to reach FID by year end 2023. A significant portion of the carbon capture infrastructure and midstream infrastructure necessary to execute these potential NGP projects already exists. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable, we expect these projects to start sequestration operations before December 31, 2025. We expect these three NGP projects to have individual sequestration volumes of approximately 0.29, 0.5 and 0.6 Mtpy CO_2e, respectively, and a combined aggregate sequestration volume of approximately 1.39 Mtpy CO_2e. The volume of forecast sequestration from these projects, together with approximately 0.27 Mtpy CO_2e expected to be sequestered by the Barnett Zero Project and the Cotton Cove Project (all together having a combined forecast sequestration volume of approximately 1.66 Mtpy CO_2e), would be capable of offsetting more emissions by December 31, 2025 than our remaining Scope 1 and 2 emissions from our owned and operated upstream businesses (estimated to be approximately 0.61 Mtpy CO_2e, after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power). However, we have not reached FID or entered into definitive agreements for any of these additional potential CCUS projects and have not reached FID with respect to any of them. If we are unable to complete any of these three

additional CCUS projects by December 31, 2025, we may not be able to achieve our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses by the end of 2025.

Planned Path to Net Zero (Scope 1, 2 and 3)

We also aspire to offset the Scope 3 emissions impact of our owned and operated upstream businesses by the early 2030s, which we estimate to be approximately 13.9 Mtpy CO_2e as of September 30, 2022. As discussed in "— *Carbon Capture, Utilization and Sequestration,* " above, we have identified twelve potential CCUS projects that we believe are commercially viable, including the Barnett Zero Project, the Cotton Cove Project and the three potential NGP projects, that we estimate have a combined forecasted volume of carbon capture and sequestration of approximately 30 Mtpy CO_2e (which is more than our current Scope 1, 2 and 3 emissions from our owned and operated upstream businesses). However, there can be no guarantee that we will be able to execute and complete any of these identified CCUS projects. If we are not able to complete CCUS projects having a sufficient forecast volume of carbon capture to offset our Scope 1, 2 and 3 emissions on the timeline and upon terms that we believe are obtainable, we may not be able to achieve our goal of net zero Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. Large scale CCUS projects are subject to numerous risks and uncertainties and there can be no guarantee that we will be able to achieve our net zero Scope 1, 2 and 3 emissions goal.

In addition, although we believe our current path to net zero will be sufficient to reduce emissions related to our existing production, the future growth of our natural gas production, midstream and power assets will result in additional CO_2e emissions. We believe our approach to reducing the emissions of our direct operations is repeatable and scalable. Through continued investment and expansion of our "Pad of the Future" program, our emissions and leak surveys as well as additional CCUS and solar projects, we believe will be able to eliminate and/or offset any such additional emissions resulting from our continued growth.

Business Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. Our ability to establish large scale CCUS projects is subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all, in which case, we may not be able to achieve our net zero emissions goals on the timelines we have established. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business*."

Business Strategy

Our strategy is to create value for our stockholders by managing and growing our integrated asset base and focusing on our net zero objectives. Our strategy has the following principal elements:

- **Deliver robust returns to stockholders.** We intend to prioritize delivering strong returns to our stockholders through our dividend policy and focus on creating stockholder value. See "*Dividend Policy*." We believe our operational expertise in successfully drilling and refracturing wells, acquiring and integrating assets purchased at attractive valuations and maintaining financial discipline will underpin our ability to meet our stockholder return goals. Our integrated businesses and natural gas-weighted, low-decline PDP reserves collectively reduce our downside risk while providing asymmetric upside returns from the confluence of commodity price uplift potential, operational improvement and development opportunities, and future accretive acquisition opportunities. The payment of any future dividends on our common stock will be at the discretion of our board of directors and may vary significantly from quarter to quarter and may be zero. Any determination to pay dividends and the amount of any such dividends will depend on, among other factors, the restrictions under our

Term Loan Credit Agreement and the Revolving Credit Agreement, as described under " *Dividend Policy*." See "*Risk Factors — Risks Related to the Offering and Our Common Stock.* "

- **Optimize the value of our core businesses.** We utilize technology and data analysis to enhance our assets and operations, which we believe improves operational efficiencies, reduces our emissions and helps us realize our operational and financial goals as we continue to scale our business. For example, our "Pad of the Future" program, which includes conversion of natural gas-powered instrument pneumatics to compressed air-powered instruments on existing pads, combined with emission and leak surveys, reduces our GHG emissions by 72%, based on current Scope 1 and 2 emissions from production in our owned and operated natural gas upstream business. Our "Pad of the Future" application also improves pad efficiencies and operating revenue. As of the year ended December 31, 2021, employing technology and operational excellence, we reduced our lease operating costs in the Barnett by 14% since October 2020, and in NEPA by 26% since January 2019, based on prior 12-month rolling averages. Additionally, our refrac and long lateral drill programs have allowed us to organically grow our reserves base. As of September 30, 2022, our Barnett refrac program has added 491 Bcfe of proved reserves since its inception in early 2021, with an estimated 516 Bcfe of probable reserves and 167 Bcfe of possible reserves, at an average of approximately $0.70/Mcfe finding and development costs during 2021. This refrac program employs specifically designed perforating technology and a suite of innovative refrac techniques, as well as advanced refrac designs and diversion methods to maximize reserve recovery and economics from legacy Barnett wells. Our Barnett new well drilling program has added 1.1 Tcfe of proved reserves since our entry into the Barnett, with a total estimate of approximately 669 Bcfe of probable reserves and 360 Bcfe of possible reserves. By combining our reserves into a growing asset base with vertically integrated components, we believe we can enhance margins and create a "closed loop" business that reduces Scope 1 and 2 emissions in our owned and operated upstream businesses and captures margin across the value chain. Estimates of probable and possible reserves are inherently imprecise and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. For more information regarding the presentation of probable and possible reserves, see "*Business — Preparation of Reserve Estimates and Internal Controls.* "
- **Grow through opportunistic, synergistic acquisitions.** A significant element of our business strategy is gaining scale through accretive acquisitions. We have a track record of growth through acquisitions, which we believe have been at attractive valuations. Since 2016, we have completed 19 acquisitions and two CCUS partnerships, resulting in greater than a 100% compound annual growth rate of Adjusted EBITDAX as of September 30, 2022. We believe our business model, management team experience and application of technology enable us to quickly and efficiently integrate additional upstream, midstream and power assets into our business.
- **Maintain a disciplined financial strategy.** We believe we can execute on our business plan and grow our business while continuing to generate substantial Adjusted Free Cash Flow. We target a Maintenance Reinvestment Rate of less than 30% and an Upstream Reinvestment Rate of less than 40%. We are focused on our goal of maintaining a conservative financial profile, with a long-term leverage target of less than 1.0x Total Net Leverage Ratio. Although we may allow our leverage ratio to exceed our target in connection with a strategic acquisition, we would seek to return our leverage level to below 1.0x as soon as reasonably possible thereafter through Adjusted Free Cash Flow and, if needed, reduced activity levels. To support the generation of future Adjusted Free Cash Flow, we have a policy of hedging approximately 25% to 60% of our production volumes over a given 12 to 24-month period. We believe our capital efficient project inventory, low-decline natural gas production and multiple, integrated business lines will provide consistent returns through varying business cycles. We intend to apply our cash flows to manage our indebtedness in line with our leverage target, fund our capital expenditure program, enhance stockholder value and execute opportunistic acquisitions across our four business lines. Adjusted EBITDAX is not a financial measure calculated in accordance with GAAP. See "— *Summary Historical Financial Information — Non-GAAP Financial Measures*" for a description of this measure and a reconciliation to the most directly comparable GAAP measure.

- **Focus on our net zero objectives.** We seek to apply our integrated business model, CCUS projects, and carbon-negative initiatives to realize Scope 1 and 2 net zero upstream owned and operated emissions by the end of 2025. We believe we can achieve this through our "Pad of the Future" emissions reductions program, emissions surveys, installing solar power and executing CCUS projects. We believe that carbon emissions within the United States can be reduced substantially through carbon capture on natural gas production, power plants, processing facilities and other energy and industrial infrastructure. As such, in addition to lowering emissions in our direct operations, CCUS for third parties has become a core focus of our business plan. We expect our CCUS projects to represent a meaningful portion of our budgeted capital expenditures going forward as we advance our long-term goal of eliminating and/or offsetting Scope 3 emissions from our owned and operated upstream businesses.
- **Encourage innovation.** Our distinctive culture encourages innovation with a value-driven focus that feeds into our competitive advantage. For example, our emphasis on the efficient application of modern technology led to the development of our "Pad of the Future" program, our advancements in Barnett refracs and other operational improvements. We intend to continue to develop, retain and add to our already talented, experienced and forward-thinking employees. Our unified team and mantra of "Being a force for good" underpin our core values and provides us with confidence in our ability to successfully manage and grow our business.

Competitive Strengths

We have a number of strengths that we believe will help us successfully execute our business strategy, including:

- **Integrated asset base well positioned for sustainable growth.** Our upstream, midstream and power asset bases reside in geographically concentrated areas with numerous asset acquisition opportunities in close proximity. Our proven ability to successfully negotiate, close and integrate these acquisition opportunities quickly and cost effectively will allow us to continue to grow our portfolio of assets synergistically. We believe that scale and the continued application of technological developments and operational excellence, combined with stable, low-decline production profiles, will continue to generate significant capital efficient development opportunities in the Barnett and NEPA.
- **High quality, low decline assets serving key demand markets.** Through a series of accretive acquisitions we have established an extensive and largely contiguous acreage position in two key markets, the Barnett and NEPA. Our Barnett assets cover approximately 468,000 net acres, with an approximately 80.37% Effective NRI, and are located in close proximity to key Gulf Coast industrial and LNG demand centers. Our NEPA assets consist of 37,000 net acres in one of the most prolific parts of the Marcellus Shale and are located within less than 200 miles to key demand markets in the U.S. Northeast. We believe the geologic, operational and engineering risks associated with our leasehold acreage have been significantly mitigated through historical development activity. Our PDP reserves had an estimated 7% year-over-year average base decline rate over the next 10 years as of September 30, 2022. Additionally, we have an inventory of over 10 years of refrac and new drill locations within our core acreage that give us the flexibility to maintain or slightly grow current production levels, depending on the commodity cycle.
- **Lower emissions energy production.** We are focused on achieving Scope 1 and 2 net zero operational emissions from our owned and operated upstream production of natural gas by the end of 2025. We believe we have a comprehensive ESG program, which is overseen and directed by an executive ESG steering committee. In 2021, we certified our entire NEPA production and, in 2022, we certified a portion of our Barnett production and, in each case, achieved a Gold rating with Project Canary's TrustWell environmental assessment (Project Canary is an environmental certification and ESG data company). This is the second highest rating a company can receive for its production, qualifying the certified portion of our NEPA and Barnett natural gas production as Responsibly Sourced Gas ("RSG"), which we believe could command a premium in the marketplace. In the future, we intend to expand beyond RSG, with aspirations for fully carbon neutral gas sales through net zero Scope 3 from our owned and operated upstream businesses, which we expect can be achieved by the early 2030s. Additionally, we have a plan to achieve net zero Scope 1 and 2 emissions by the end of 2025

based on our “Pad of the Future” emissions reductions, emissions surveys, installing solar power and executing CCUS projects. We believe BKV dCarbon Ventures will be able to capture and sequester at least 1.0 Mtpy CO_2e by the end of 2025, which exceeds the balance of our current Scope 1 and 2 emissions from our owned and operated upstream businesses. However, if we are not able to complete CCUS projects having sufficient forecasted volumes of CO_2e, we may not be able to achieve this goal.

- **Efficient use of capital.** Our deep, high-graded inventory of refrac opportunities coupled with our inventory of new drill locations allow us to create meaningful additional cash flow with comparatively modest additional capital investments. We utilize operational improvements such as operational process and procurement efficiencies, use of existing field infrastructure, innovative and cost-effective refrac techniques and designs (including diversion methods), drilling long laterals in the Barnett, and optimizing available midstream capacity to further maximize our capital efficiency. Through our midstream, power and CCUS business lines, we are capturing margin across the value chain.
- **Well capitalized and conservative balance sheet.** As of September 30, 2022, we had a Total Net Leverage Ratio of 1.3x. Following the completion of this offering, we intend to continue to maintain a strong balance sheet and fund our operations predominantly with internally generated cash flows. We believe that the low decline, predictable nature of our upstream production profile, combined with our hedging plan and reinvestment rate targets, will allow us to successfully meet our leverage goals.
- **High caliber and proven management team.** We maintain a highly experienced and knowledgeable management team with an average of over 25 years of experience among our senior management team. Our leadership team has significant experience managing integrated energy and power assets for large-scale enterprises, including companies such as PTT Exploration and Production Public Company Limited (“PTT Exploration”) and BP p.l.c. (“BP”). Furthermore, our sponsor, Banpu, one of Asia Pacific’s largest integrated energy companies, provides us with unique and valuable insights into optimizing our integrated energy business.

Recent Developments

Barnett Zero CCUS Project with EnLink

On June 8, 2022, BKV dCarbon Ventures and EnLink reached FID to develop our first CCUS project and entered into a definitive agreement to dispose of, and geologically sequester, CO_2 generated as a byproduct of the production of our natural gas in the Barnett and will utilize our newly acquired BKV Midstream assets. This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production, which we expect to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We currently estimate the total investment required by us for the Barnett Zero Project to be between $20.0 and $22.0 million. We are targeting commencement of CO_2 sequestration activities by the second half of 2023, subject to our ability to secure all required permits, at which point we expect this project will be one of the first permanent commercial CO_2 disposal and sequestration projects to come online in the United States. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 8%, bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025.

Exxon Barnett Acquisition

On June 30, 2022, we closed the Exxon Barnett Acquisition of natural gas upstream and associated midstream infrastructure in the Barnett from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, for a total purchase price of $750.0 million, plus additional contingent consideration of up to $50.0 million depending on future natural gas prices. Pursuant to the Exxon Barnett Acquisition, we acquired approximately 175,000 total net acres that are approximately 99% held by production, primarily in Tarrant, Johnson and Parker counties, and additional smaller positions in Jack, Wise, Denton, Erath, Hood and Ellis counties, Texas (our “2022 Barnett Assets”). These upstream assets include low decline wells, ideal for delivering consistent cash flow, and high average working interests of approximately 94% in over 2,100 operated wells. The Exxon Barnett Acquisition also included approximately

778 miles of gathering pipelines and compression and processing midstream infrastructure with, as of September 30, 2022, over 450 MMcf/d of throughput capacity and approximately 26 MMcf/d of third-party production being gathered on the system. In connection with the Exxon Barnett Acquisition, we entered into the Term Loan Credit Agreement (as defined herein) with a syndicate of banks and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent. The Term Loan Credit Agreement includes up to $600.0 million of commitments for term loans to be used solely to fund a portion of the purchase price for the Exxon Barnett Acquisition and other costs and expenses associated with the acquisition. As of November 17, 2022, there was $570.0 million in aggregate principal amount outstanding under the Term Loan Credit Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Term Loan Credit Agreement*" for more information.

Amendment to Derivative Agreement

On August 4, 2022, we entered into an amendment to our ISDA Master Agreement with a counterparty to our derivative contracts pursuant to which we agreed to terminate or novate, at our election, at least $100.0 million of our derivative contracts. As of September 9, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we are required to make cash payments to the counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. We intend to make the remaining payment with cash flows from operations. See "*Note 13 — Credit and Other Risk*" to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for additional information regarding this agreement.

CCUS Project Development with Verde CO2

On August 22, 2022, we entered into a development agreement with Verde CO2 to identify, evaluate and develop CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration. Pursuant to the development agreement, Verde CO2 will be responsible for the sourcing, development, performance and ongoing management of such CCUS projects and BKV dCarbon Ventures will provide funding for such projects. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement, and we currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations.

Revolving Credit Agreement

On August 24, 2022, we entered into a Revolving Credit Agreement (as amended by that certain First Amendment to Revolving Credit Agreement dated as of November 11, 2022, the "Revolving Credit Agreement") with Bangkok Bank Public Company Limited (New York Branch), as the administrative agent and sole initial lender. The Revolving Credit Agreement includes $100.0 million of commitments for unsecured revolving loans used for short-term working capital and operating needs. As of November 17, 2022, $45.0 million was outstanding under the Revolving Credit Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Revolving Credit Agreement*" for more additional information regarding the Revolving Credit Agreement.

Cotton Cove CCUS Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we

expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described in "— *Carbon Capture, Utilization and Sequestration*." As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero Scope 1 and 2 emissions across our owned and operated upstream businesses by the end of 2025. See "— *Path to Net Zero Emissions*."

Letter of Intent with EEMNA

On November 11, 2022, we entered into a non-binding letter of intent with EEMNA to build a framework for verifiable environmental attributes with the use of carbon credits applied to natural gas energy. Under this framework, we intend to measure, reduce and verify emissions using operational technologies, such as continuous emissions monitoring. In addition, we expect to deliver sequestered carbon credits from our CCUS business to EEMNA under this marketing program. Project Canary, an environmental certification and ESG data company, will reconcile sensing technologies and measure, analyze, and report the environmental attributes of the sequestrated carbon to support decarbonization. This initiative strives to provide a market in which an LNG buyer, gas utility, power utility or other end-user can purchase measured and verified sequestrated carbon credits from a single, trusted company. These carbon credits would not apply toward a reduction of our own Scope 1, 2 or 3 owned and operated upstream emissions. We anticipate eventually selling to EEMNA, for marketing to end-users, net zero natural gas that incorporates measured, sequestrated carbon credits derived from our CCUS business.

Our History

In June 2015, our Chief Executive Officer, Chris Kalnin, and Banpu founded our predecessor, BKV O&G, a Delaware partnership developed for oil and gas investments owned primarily by Banpu and managed by Kalnin Ventures LLC, with the goal of creating long-term sustainable value in the energy industry.

In 2016, BKV O&G acquired from Range Resources a 29.4% interest in certain midstream assets and an approximately 24% interest in certain upstream assets in the Marcellus Chaffee Corners area that are operated by Repsol. From 2017 to 2019, BKV completed a series of other accretive acquisitions, including two major acquisitions of upstream and midstream assets in NEPA from Carrizo Oil and Gas and its non-operated partner, Reliance Industries, and BKV O&G devoted its time to strengthening its technological, exploration, production and operational capabilities.

On May 1, 2020, we completed a corporate restructuring in which we converted all of the interests and assets owned by BKV O&G (the "BKV O&G Conversion") and also acquired Kalnin Ventures (the "KV Acquisition"). The BKV O&G Conversion and the KV Acquisition resulted in our formation as a new consolidated corporate entity, BKV Corporation. See "— *The Corporatization Event*" for more information about our corporate restructuring.

In October 2020, we became one of the largest natural gas producers by volume in the Barnett, following our acquisition of more than 289,000 net acres, 3,850 producing operated wells and related

upstream assets in the Barnett from Devon Energy (the "Devon Barnett Acquisition") for a cash purchase price of $570.0 million.

In July 2021, we launched our natural gas-based power generation business with the formation of BKV-BPP Power, a joint venture owned 50% by us and 50% by BPPUS, a wholly owned subsidiary of Banpu Power and an affiliate of our sponsor, Banpu. In November 2021, BKV-BPP Power acquired Temple Generation Intermediate Holdings II, LLC, the owner of 100% of the interests in Temple I, a combined cycle gas turbine and steam turbine power plant located in the ERCOT North Zone in Temple, Texas.

In September 2021, we purchased a non-operated interest spanning over 3,000 net acres from Black Falcon Energy, LLC, a managing company for Jamestown Resources, LLC, Larchmont Resources, LLC and Pelican Energy, LLC in the Barnett and NEPA.

In March 2022, we launched our CCUS business line, BKV dCarbon Ventures, and we reached FID and entered into a definitive agreement in June 2022 in connection with our first CCUS project, the Barnett Zero Project, with EnLink to dispose of, and geologically sequester, CO_2 generated as a byproduct of the production of our EnLink-gathered natural gas in the Barnett. Following commencement of commercial operations of our project with EnLink, we intend to use this project as a prototype for modular projects that can be repeated and quickly scaled.

In June 2022, we consummated the Exxon Barnett Acquisition, which also substantially grew our natural gas midstream business. Pursuant to the Exxon Barnett Acquisition, we acquired approximately 175,000 total net acres and 2,100 operated wells primarily in Tarrant, Johnson and Parker counties, and additional smaller positions in Jack, Wise, Denton, Erath, Hood and Ellis counties, Texas. The Exxon Barnett Acquisition also included the addition of 129 employees and approximately 778 miles of gathering pipelines, compression and processing midstream infrastructure.

In August 2022, we entered into a development agreement with Verde CO2 to identify, evaluate and develop CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration and aligns with our goal to reach net zero owned and operated upstream emissions.

In October 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project to dispose of, and geologically sequester, CO_2 generated as a byproduct of the production of our natural gas in the Barnett and will utilize our newly acquired BKV Midstream assets to do so.

In November 2022, we entered into a non-binding letter of intent with EEMNA to build a framework for verifiable environmental attributes with the use of carbon credits applied to natural gas energy. These carbon credits would not apply toward a reduction of our own Scope 1, 2 or 3 owned and operated upstream emissions. We anticipate eventually selling to EEMNA, for marketing to end-users, net zero natural gas that incorporates measured, sequestrated carbon credits derived from our CCUS business.

The Corporatization Event

Prior to May 1, 2020, BKV O&G held 100% of the outstanding equity interests in BKV Chaffee, BKV Chelsea, BKV Operating and BKV Barnett (the "BKV O&G Group"). During this period, Banpu held approximately 97% of BKV O&G's limited partner interests, and Kalnin Capital Partners, L.P. (the "General Partner") held BKV O&G's general partner interest.

On May 1, 2020, Banpu and the General Partner incorporated BKV Corporation and restructured BKV O&G through a contribution by Banpu, the other limited partners and the General Partner of all of the partnership interests in BKV O&G to BKV Corporation in exchange for common stock of BKV Corporation. In addition, Kalnin Ventures, which previously managed BKV O&G, was contributed to BKV Corporation in exchange for BKV Corporation common stock. As a result of these transactions, as of May 1, 2020, the BKV O&G Group and Kalnin Ventures became wholly-owned subsidiaries of BKV Corporation. We refer to this series of transactions collectively as the "Corporatization Event."

Our Relationship with Banpu

BNAC, our majority stockholder, is an indirect, wholly owned subsidiary of Banpu, our ultimate parent company. Immediately prior to this offering, Banpu owned approximately 96.1% of our common stock and will own approximately % at the completion of this offering (or approximately % if the underwriters exercise in full their option to purchase additional shares of our common stock). Banpu has informed us that although it may reduce a portion of its ownership position over time, it intends to remain a long-term stockholder and supporter of BKV. However, Banpu is not obligated to continue to hold all or any portion of its ownership in the Company. If, after this initial public offering, Banpu and its wholly owned subsidiaries cease to own at least 51% of our equity interests, or if they allow any lien to exist on our equity interests that they own, such event will be an event of default under the Term Loan Credit Agreement and the Revolving Credit Agreement. See "*Risk Factors — Risks Related to Our Relationship with Banpu and its Affiliates.*"

Banpu is a multi-billion U.S. dollar market cap energy company publicly traded in Thailand. With nearly four decades of experience in business operations covering 10 countries across the Pacific Rim region and the United States, Banpu is an international versatile energy provider committed to its Greener & Smarter strategy, which prioritizes environmentally sustainable businesses and leverages smart technologies and innovations.

Banpu also owns approximately 78.66% of Banpu Power. Banpu Power is a public company listed on the Stock Exchange of Thailand. Banpu Power is the owner of BPPUS, our 50/50 partner in BKV-BPP Power.

See "*Certain Relationships and Related Party Transactions*" for additional information regarding our relationship with Banpu.

Our Operations

Natural Gas Production

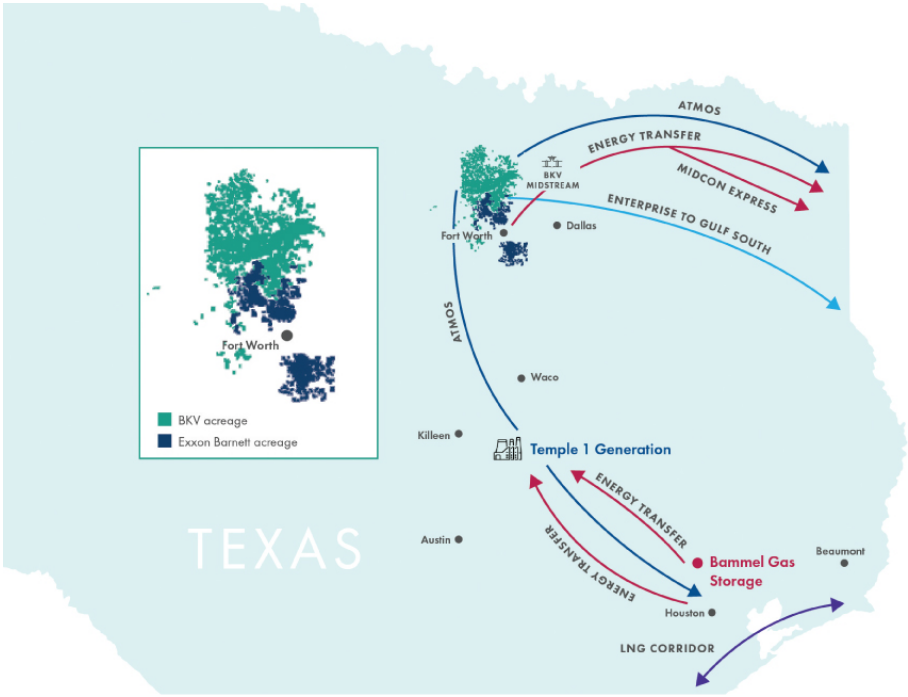
Our Geographic Focus

We are engaged in the acquisition, operation and development of natural gas and NGL properties located primarily in the Barnett (approximately 468,000 net acres) and NEPA (approximately 37,000 net acres) with a combined total company net production of approximately 864 MMcfe/d for the nine months ending September 30, 2022. In addition, we own an aggregate of approximately 4,500 net mineral fee acres located in the Barnett and NEPA. The Barnett has a diversified production stream of natural gas and NGLs located approximately 300 miles from major Gulf Coast industrial centers and LNG export markets. NEPA is composed predominantly of organically rich shale and is generally acknowledged as one of North America's largest and richest sources of natural gas.

Our upstream assets are predominantly located in the Barnett, which is where horizontal drilling was pioneered and which has the advantage of more than 15 years of technological advancements, proximity to demand hubs and a significant amount of midstream and other infrastructure in place. We also enjoy an average 6.5% 10-year Barnett base production decline on a current production base of approximately 731 MMcfe/d. Using modern technologies, we can drill and complete more profitably and successfully with longer laterals, optimal 750 foot down hole well spacing and latest shale fracturing designs. More than a decade of technological advancements since the discovery of the Barnett, combined with significant remaining gas and NGL resources in place, have created a highly capital efficient opportunity to re-stimulate legacy wellbores to meaningfully increase production and enhance recovery factors and reserves. We also have negotiated a midstream contract, covering 44% of our Barnett acreage, that offers incentive gathering and processing rates for new drills and restimulations, enhancing our margins and project economics alike. We entered the Barnett in October of 2020, through our completion of the Devon Barnett Acquisition. As of September 30, 2022, we had 169 proved undeveloped, 143 probable undeveloped and 118 possible horizontal locations and 642 proved developed non-producing, 738 probable and 294 possible horizontal refrac candidates in the Barnett, including those acquired in the Exxon Barnett Acquisition.

We are the largest producer of natural gas in the Barnett, based on publicly reported gross production volume as of March 31, 2022. During the nine months ended September 30, 2022, our Barnett properties, including both operated and non-operated wells, produced 161.0 Bcfe (or an average of 718.6 MMcfe/d). During the year ended December 31, 2021, we produced 190.1 Bcfe (or an average of 520.9 MMcfe/d) from our Barnett properties, including both operated and non-operated wells. We did not drill any of our own operated wells in our Barnett properties during 2021. However, in November 2020, we began a restimulation program to develop economic incremental reserves in existing wellbores and arrest the overall field production decline. In 2021, we led the industry in number of executed horizontal restimulations by completing 213, according to public completion reports.

The image below reflects our Barnett acreage that was acquired in the 2020 Barnett Acquisition (Green) and the Exxon Barnett Acquisition (Blue), with the arrows indicating the direction of flow to existing markets and identifying the respective third parties with which BKV has secured downstream capacities. The image reflects how we are now positioned in the core of the Barnett with transportation to key gulf coast markets. Transportation to the East and the South provide key flexibility and optionality for gas transportation out of the basin. This strategically positions us geographically to utilize existing infrastructure to the gulf without needing to rely on new-build pipelines such as in the Permian and Haynesville.



In NEPA, we have built our position through 12 accretive acquisitions since May 2016. We have an attractive production base comprising approximately 37,000 net acres located primarily in Wyoming, Susquehanna and Bradford counties, Pennsylvania, in one of the most prolific areas of the play. With respect to our operated and non-operated assets in NEPA, our position consists of average 89% working interest and 72% NRI on operated wells that yield 100% lean natural gas. We enjoy a significant non-operated position in NEPA. In addition, we have approximately 27 new well locations for near-term development in NEPA.

We are the eighth largest producer in NEPA, on a gross operated production basis. During the nine months ended September 30, 2022 and the year ended December 31, 2021, we produced 36.4 Bcf (or an average of 133.3 MMcf/d) and 56.1 Bcf (or an average of 153.7 MMcf/d), respectively, from our NEPA

properties, including both operated and non-operated wells. We did not drill any new wells in NEPA in 2021. During the nine months ended September 30, 2022, we drilled five wells in NEPA. However, we utilized a combination of compression projects and drilled but uncompleted (DUC) well completions to slow production declines and optimize production.

The image below reflects our NEPA acreage (Green), which spans the northeast portion of Pennsylvania and is comprised of both operated and non-operated assets, with the arrows indicating the direction of flow to existing markets and identifying the respective third parties with which BKV has secured downstream capacities. Our downstream transportation has the flexibility to move West and South into gulf coast markets via the Tennessee Gas Pipeline as well as into the northeast corridor via the Millenium pipeline while also maintaining intra-basin optionality.

Our Technology-Enabled Business

Our integrated business model allows us to develop, test and deploy new technologies to drive efficiencies across the business and to reduce our own emissions. We leverage technology in two important ways: we utilize our Data Lake and in-house data science team to drive efficiencies and insights across the business and we utilize probabilistic modeling approaches and advance risk management techniques to enhance our decision-making abilities, particularly with regards to potential acquisitions. We employ a technology-focused approach, such as utilization of our proprietary instrument air packages, satellite and perimeter pad emissions monitoring, and advanced production and emissions measurement, to enable methane measurement and mitigation, and emission elimination strategies, that reduce CO_2e emissions across our operations. We estimate an approximate 72% reduction in BKV Scope 1 and 2 CO_2e emissions (inclusive of the Exxon Barnett Acquisition) by the end of 2025 from our 2021 baseline using these technological innovations, based on management estimates. We expect that the balance of our Scope 1 and 2 emissions will be offset by CCUS, solar and other mitigations to achieve our goal of Scope 1 and 2 emissions by the end of 2025 for our owned and operated upstream businesses.

Our operations in the Barnett and NEPA have been increasingly automated through a program called “Autotune,” which is an effort to optimize and automate plunger lift systems to increase production through autonomous dynamic tuning of plunger control inputs. This Autotune method utilizes computer algorithms which toggle and optimize various input and control variables for plunger lift systems to increase production time for an average well as compared to a baseline (based on a manual method of managing plunger input and control variables).

We have implemented our “Pad of the Future” program in our upstream business, with the objectives of converting natural gas-powered instrument pneumatics to compressed air-powered functionality on existing pads, significantly reducing our GHG emissions and improving pad efficiencies and economics. In addition, we have implemented emissions surveys, an advanced four-tiered emissions monitoring and mitigation strategy utilizing specialized surveillance technology. We also are in the process of permitting 2.5 MW of commercial solar power, with plans to install up to 10 MW of commercial solar power within the next three years to offset our Scope 2 emissions from our electricity usage in our upstream operations.

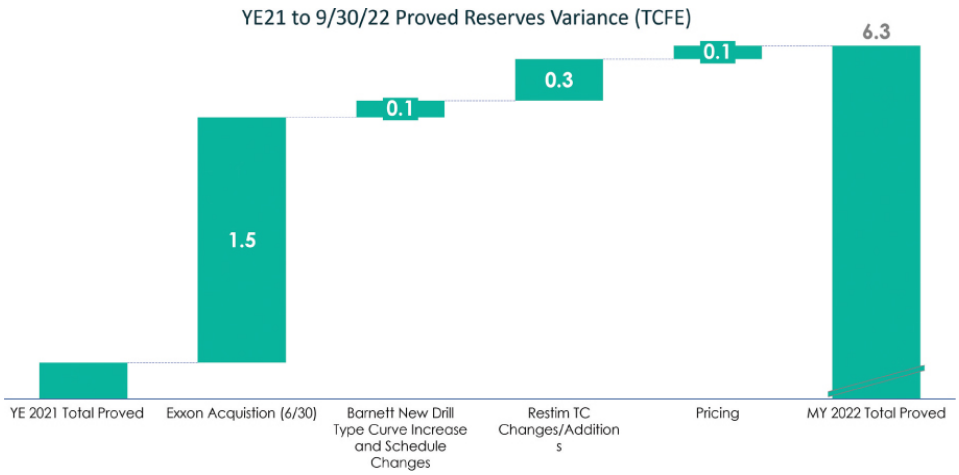
In 2021, we certified our NEPA production and achieved a Gold rating with Project Canary’s TrustWell environmental assessment (Project Canary is an environmental certification and ESG data company). This is the second highest rating a company can receive for its production, qualifying our NEPA natural gas production as RSG, which we believe could command a premium in the marketplace. Through RSG production, we provide reliable and affordable energy, while actively participating in the energy transition. In 2022, we plan to certify a portion of our Barnett assets through Project Canary, and anticipate achieving certification more broadly across our Barnett assets in the future.

Our Reserves

The following summarizes our natural gas and oil properties as of September 30, 2022 and our average net daily production for the nine months ended September 30, 2022, including the properties we acquired in the Exxon Barnett Acquisition.

	September 30, 2022							
	Estimated Total Proved Reserves							
Operating Region	Natural Gas (MMcf)	Natural Gas Liquids (MMBbls)	Oil (MMBbls)	Total (MMcfe)	Average Net Daily Production (MMcfe/d)[1]	Average Reserve Life (years)	Producing Wells	Net Acres
Barnett	4,073,171	220,587	1,743	5,407,155	730.6	20.3	6,975	467,925
NEPA	925,102	—	—	925,102	133.3	19.0	408	36,978
Total	4,998,273	220,587	1,743	6,332,257	863.9	20.1	7,383	504,904

(1) The production rate for the properties acquired in the Exxon Barnett Acquisition was based on management’s review of the historical accounting information with respect to such assets.



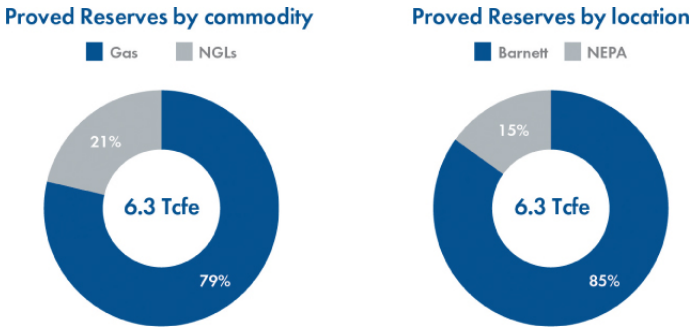
Based on forecasts used in our reserve reports, our PDP reserves as of September 30, 2022 had estimated average five-year and ten-year annual decline rates of approximately 8.1% and 7.0%. As a result of this overall low decline profile of our natural gas and oil assets, coupled with refrac opportunities that are capital efficient projects, we are able to maintain flat production year over year with relatively low reinvestment rate. We believe the combination of our high margin profile and our conservative reinvestment rate approach, supported by our low decline reserves, will allow us to generate significant Adjusted Free Cash Flow to (i) deliver stockholder returns and (ii) opportunistically fund value accretive growth opportunities.

The following table illustrates the weighted average decline profiles and total production in the first nine months of 2022 associated with our proved reserves as of September 30, 2022:

	September 30, 2022					
					Weighted Average Annual PDP Decline[1]	
Operating Region	Estimated Total Proved Reserves (MMcfe)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	5,407,155	75.3%	24.5%	0.2%	7.3%	6.5%
NEPA	925,102	100%	0%	0%	12.8%	9.9%
Total	6,332,257	78.9 %	20.9 %	0.2 %	8.1 %	7.0 %

(1) Reflects the estimated average year over year decline rates of our base reserves as of September 30, 2022 for the five-year period ending December 31, 2027 and the ten-year period ending December 31, 2032, in each case based on the forecasts used in estimating our proved reserves.

The following table summarizes our proved reserves by commodity and proved reserves by location at September 30, 2022:



The following table illustrates the weighted average decline profiles and total production in 2021 associated with our proved reserves as of December 31, 2021:

	December 31, 2021					
					Weighted Average Annual PDP Decline[1]	
Operating Region	Estimated Total Proved Reserves (MMcfe)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	3,496,235	71.5%	28.3%	0.2%	7.0%	6.3%
NEPA	945,528	100%	0%	0%	12.4%	9.9%
Total	4,441,763	77.6%	22.3%	0.1%	8.3%	7.2%

(1) Reflects the estimated average year over year decline rates of our base reserves as of December 31, 2021 for the five-year period ending January 31, 2027 and the ten-year period ending January 31, 2032, in each case based on the forecasts used in estimating our proved reserves.

Our Acreage

The following table summarizes our acreage position as of September 30, 2022:

	Developed		Undeveloped		Total	
Operating Region	Gross	Net	Gross	Net	Gross	Net
Barnett[1]	643,008	428,269	41,803	39,656	684,811	467,925
NEPA	61,971	28,162	20,890	8,816	82,862	36,978
Total	704,980	456,432	62,693	48,472	767,673	504,904

The following table summarizes our acreage position as of December 31, 2021:

	Developed		Undeveloped		Total	
Operating Region	Gross	Net	Gross	Net	Gross	Net
Barnett[1]	453,584	261,810	32,120	30,771	485,704	292,582
NEPA	61,971	28,162	20,890	8,816	82,862	36,978
Total	515,555	289,973	53,010	39,587	568,566	329,560

(1) Includes acreage acquired during 2021 from Jamestown Resources, L.L.C., Larchmont Resources, L.L.C., and Pelican Energy, L.L.C., for which acreage the leasehold interest is derived from unit-based assignments and includes 133,470.22 gross and 3,317.69 net developed acres, and no undeveloped acres.

The percentage of our net undeveloped acreage that is subject to lease expiration over the next three years, if such leases are not renewed, is less than 0.03% in 2022, approximately 2.52% in 2023 and 0.40% in 2024.

Our Productive Wells

The following table sets forth our gross and net productive natural gas and oil wells as of September 30, 2022:

	Producing Natural Gas Wells		Producing Oil Wells		Total		Average Working Interest
	Gross	Net	Gross	Net	Gross	Net	
Barnett	5,822	5,597	9	9	5,831	5,606	96.1%
NEPA	142	126	0	0	142	1262	88.9%
Total	5,964	5,724	9	9	5,973	5,733	96.0%
Non-operated Wells:							
Barnett	1,122	95	22	0.1	1,144	96	9.9%
NEPA	266	36	0	0	266	36	14.3%
Total	1,388	132	22	.1	1,410	132	10.8%
Total Wells:							
Barnett	6,944	5,693	31	9	6,975	5,702	83.9%
NEPA	408	163	0	0	408	163	41.0%
Total	7,352	5,855	31	9	7,383	5,864	81.5%

The following table sets forth our gross and net productive natural gas and oil wells as of December 31, 2021:

	Producing Natural Gas Wells		Producing Oil Wells		Total		Average Working Interest
	Gross	Net	Gross	Net	Gross	Net	
Operated Wells:							
Barnett	3,950	3,170	8	6	3,958	3,177	97.8%
NEPA	138	101	0	0	138	101	88.9%
Total	4,088	3,272	8	6	4,096	3,279	
Non-operated Wells:							
Barnett	838	672	8	6	846	679	3.5%
NEPA	256	189	0	0	256	189	13.9%
Total	1094	861	8	6	1102	868	
Total Wells:							
Barnett	4,788	3,843	16	12	4,804	3,856	81.2%
NEPA	394	291	0	0	394	291	39.9%
Total	5,182	4,134	16	12	5,198	4,147	

Drilling, Refrac and Restimulation Activity

During the years ended December 31, 2021 and 2020, we did not have an active drilling rig running in any of our operated properties, and therefore we did not drill any wells on these properties. During this period, we completed a total of six wells that were previously drilled but uncompleted wells in NEPA. During the nine months ended September 30, 2022, we drilled five wells in NEPA and nine wells in the Barnett, each of which constitutes a gross operated well and net operated development well, that, as of September 30, 2022, four wells were completed in Barnett and three wells were completed in NEPA all of which were net productive.

In November 2020, we began a restimulation program in the Barnett to develop economic incremental reserves in existing wellbores and arrest the overall field production decline. In 2021, we led the industry in number of executed horizontal restimulations by completing 213, according to public completion reports. Additionally, as of September 30, 2022, we had 169 proved undeveloped, 143 probable undeveloped and 118 possible horizontal locations and 642 proved developed non-producing, 738 probable and 294 possible horizontal refrac candidates in the Barnett, including those acquired in the Exxon Barnett Acquisition.

Sales Volumes and Unit Prices

The following table summarizes sales volumes, sales prices and production cost information for our net natural gas and production for the nine months ended September 30, 2022 and 2021.

	Nine Months Ended September 30,	
	2022	2021
Sales Volumes		
Barnett:		
Natural gas (MMcf)	115,339.7	96,787.4
Natural gas liquids (MBbl)	7,529.0	6,544.5
Oil (MBbl)	81.8	93.4
Total Barnett (Bcfe)	161.0	136.6
NEPA:		
Natural gas (MMcf)	36,381.6	41,538.9
Natural gas liquids (MBbl)	—	—
Oil (MBbl)	—	—
Total NEPA (Bcfe)	36.4	41.5
Total Company (Bcfe)	197.4	178.2
Average Sales Prices (excluding impact of derivative settlements)		
Barnett:		
Natural gas	$ 6.79	$ 2.95
Natural gas liquids (MBbl)	$ 32.86	$ 23.10
Oil (MBbl)	$ 92.22	$ 58.79
NEPA:		
Natural gas (MMcf)	$ 5.12	$ 1.80
Natural gas liquids (MBbl)	$ —	$ —
Oil (MBbl)	$ —	$ —
Total Company (per Mcf)	$ 6.20	$ 2.90
Average Sales Prices (Including the impact of derivative prices [1])		
Barnett:		
Natural gas	$ 3.07	$ 2.34
Natural gas liquids (MBbl)	$ 28.71	$ 16.65
Oil (MBbl)	$ 92.22	$ 58.79
NEPA:		
Natural gas (MMcf)	$ 5.12	$ 0.54
Natural gas liquids (MBbl)	$ —	$ —
Oil (MBbl)	$ —	$ —
Total Company (per Mcf)	$ 3.87	$ 2.20
Average Production Cost (per Mcfe) [2]		
Barnett	$ 1.42	$ 1.30
NEPA	$ 0.24	$ 0.23
Total Company	$ 1.67	$ 1.53

(1) Impact of derivatives prices excludes $101.3 million of derivative contract terminations.

(2) Excludes natural gas and oil ad valorem and production taxes.

The following table summarizes sales volumes, sales prices and production cost information for our net natural gas and production for the years ended December 31, 2021 and 2020.

	Year Ended December 31,	
	2021	2020
Sales Volumes		
Barnett:		
Natural gas (MMcf)	129,960.0	34,879.1
Natural gas liquids (MBbl)	9,829.3	2,565.2
Oil (MBbl)	123.0	28.6
Total Barnett (Bcfe)	190.1	50.4
NEPA:		
Natural gas (MMcf)	56,095.1	61,279.9
Natural gas liquids (MBbl)	0.0	0.0
Oil (MBbl)	0.0	0.0
Total NEPA (Bcfe)	56.1	61.3
Total Company (Bcfe)	245.8	111.7
Average Sales Prices (excluding impact of derivative settlements)		
Barnett:		
Natural gas (per Mcf)	$ 3.58	$ 1.62
Natural gas liquids (per Bbl)	$ 22.90	$ 4.66
Oil (per Bbl)	$ 61.46	$ 46.67
NEPA:		
Natural gas (per Mcf)	$ 2.34	$ 0.74
Natural gas liquids (per Bbl)	$ 0.00	$ 0.00
Oil (per Bbl)	$ 0.00	$ 0.00
Total Company (per Mcfe)	$ 3.38	$ 1.03
Average Sales Prices (including impact of derivative settlements)		
Natural gas (per Mcf)	$ 2.40	$ 1.87
Natural gas liquids (per Bbl)	$ 16.76	$ 12.57
Oil (per Bbl)	$ 61.46	$ 31.07
Total Company (per Mcfe)	$ 2.52	$ 1.90
Average Production Cost (per Mcfe) [(1)]		
Barnett	$ 1.31	$ 0.36
NEPA	$ 0.23	$ 0.22
Total Company	$ 1.06	$ 0.28

(1) Excludes natural gas and oil ad valorem and production taxes.

Base Production Optimization

We seek to be a leader in safe, efficient and accretive base production management. We are highly focused on flattening decline while minimizing costs all while reducing our environmental footprint. Automation and optimization play a pivotal role in this focused approach. Our plunger automation program, *i.e.*, "Autotune," improves the efficiency of our plunger lift systems, resulting in up to 2% improvement in production. Initiatives like automated equipment actuation and automated water call outs serve to minimize response times and reduce manpower requirements. BKV operates a steady and robust workover program, constantly reviewing candidate wells and maintaining a queue of prioritized jobs that provide economic and accretive production uplift. We operate a fleet of over 700 gas lift and wellhead compression units with real time optimization of this fleet. Ensuring our compressors are optimized for each specific facility allows us to maximize production and reduce costs. Other elements of our base management excellence include

automated data collection and analysis processes, including well reviews, surveillance dashboards, and process change alerts. Additionally, we monitor and mitigate pipeline pressures, evaluate and implement compression and pressure reduction projects jointly with our midstream partners. We seek to prudently manage and lower operating costs through, for example, purchasing and operating our own slickline units, bringing various maintenance activities in-house which are traditionally third party, negotiating and signing longer term supply and vendor contracts, establishing strategic and advantageous procurement partnerships, leveraging basin scale to achieve organizational and purchasing efficiencies, and maintaining an efficient organizational structure with high performing teams.

Natural Gas Midstream

Our natural gas midstream operations support our upstream assets as well as generate incremental revenue via gathering, processing and transportation of third-party production. In the Barnett, we have extensive infrastructure with capacity across the field and limited additional capital required to connect our wells. Our midstream system in the Barnett operates at low pressure with only approximately 50% utilization as of September 30, 2022. In the Barnett, as of September 30, 2022, approximately 220 MMcf/d of our gross production volumes (approximately 29% of our total gross Barnett production) were gathered and processed by our owned Barnett midstream system, with our remaining Barnett production primarily under an agreement with EnLink with no minimum volume commitments. Our owned Barnett midstream system includes approximately 778 miles of gathering pipeline, 64 gas compression units and one amine processing unit.

In NEPA, as of September 30, 2022, our gross operated production volumes were approximately 156 MMcf/d. The volumes flow into third-party gatherers in the following proportions:

- Williams Companies (“Williams”): 54%
- UGI Energy Services Midstream Services (“UGI”): 42%
- Energy Transfer LP (“Energy Transfer”): 4%

Our owned NEPA midstream system includes approximately 16 miles of gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units. We also have a 29.4% non-operated ownership interest in a Repsol operated midstream system with over 100 miles of gathering pipelines with 450 MMcf/d of capacity and a compression station with approximately 14,000 horsepower. Repsol owns the remaining 70.6% of the system, which has a current throughput of approximately 174 MMcf/d and services both system owner gas and third-party gas.

Gas Gathering & Processing Agreements

The majority of our gross operated production volumes in NEPA are contractually further gathered and treated by three main third parties. As of September 30, 2022, approximately 54%, 42% and 4% of our gross operated volumes in NEPA were further gathered and treated on Williams, UGI, and Energy Transfer gathering systems, respectively. We have secured these services through acreage dedications, pursuant to which current and future production sourced from the specific acreage positions designated in each contract is required to be gathered and treated by each specific entity. Some of our NEPA gas gathering and processing contracts contain limited minimum volume commitment terms (“MVCs”), the earliest of which expire in the first quarter of 2025 and the second quarter of 2029. As of September 30, 2022, such MVCs require us to deliver 36 MMcf/d of natural gas, a majority of which flows into 95 MMcf/d of MVC related the gathering, central delivery point aggregation and intra-basin transport, which currently represents 61% of the gross volumes produced from covered acreage. Overall, the acreage dedication approach, coupled with limited MVCs, provides us strategic flexibility while also securing access to gathering, processing and transportation services. The use of third parties to contractually perform gathering and treating services also negates capital spending requirements for these services and allows us to focus our efforts and capital spend on our core energy and production business.

The terms of these contracts range from 10 and 20 years from original execution date, with an average term of seven years remaining between the various contracts, as of September 30, 2022. The specified rates within these contracts are generally escalated annually subject to a standard Consumer Price Index escalator.

These gathering and treating contracts offer deliverability to intra-basin markets, as well as multiple downstream pipelines that offer access to inter and intra-regional markets. This flexibility ultimately provides sufficient liquidity and market optionality that help facilitate the overall process of maximizing corporate netbacks.

For the assets we acquired in the Devon Barnett Acquisition, approximately 99% of our natural gas is gathered and transported by EnLink through various contracts that govern the services provided for the Bridgeport, Ponder and Jarvis systems. The Bridgeport system consists of both rich and lean gas governed by a market-rate based contract, as amended, with a term expiring in 2033. The gathering and processing fees under the Bridgeport contract contain an incentive mechanism pursuant to which we can achieve lower rates through refractured or new wells. All NGLs under the Bridgeport contract are sold to EnLink at Mont Belvieu pricing subject to a market-based transport and fractionation differential. There are no MVCs associated with the natural gas gathering agreements for the assets we acquired in the Devon Barnett Acquisition.

For the assets we acquired in the Exxon Barnett Acquisition, approximately 90% of our natural gas is gathered and transported through an agreement assigned to our subsidiary, BKV Midstream, through various market-rate based contracts that take lean gas to various delivery points into Energy Transfer's pipeline. All gas currently flows to Energy Transfer, where BKV is under an acreage dedication for its downstream takeaway. We have one MVC related to the assets acquired in the Exxon Barnett Acquisition for less than $1.0 million per year, which MVC is currently unfulfilled and results in immaterial unutilized gathering charges. However, produced gas that can currently flow through this contract and fulfill the MVC has been rerouted and now flows through BKV's (formerly XTO Energy, Inc.'s) owned and operated gathering and compression facilities. The decision to construct the facilities, reroute this gas and strand the MVC-based contract was based upon superior economics and results in lower overall gathering and compression fees, even with the inclusion of the unutilized gathering charges. The MVC-based contract expires in the third quarter of 2024.

Power Generation

We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which owns Temple I, a newly-constructed, modern combined cycle gas and steam turbine power plant located in the ERCOT North Zone in Temple, Texas. The remaining 50% interest is owned by BPPUS, a wholly owned subsidiary of Banpu Power and an affiliate of our sponsor, Banpu.

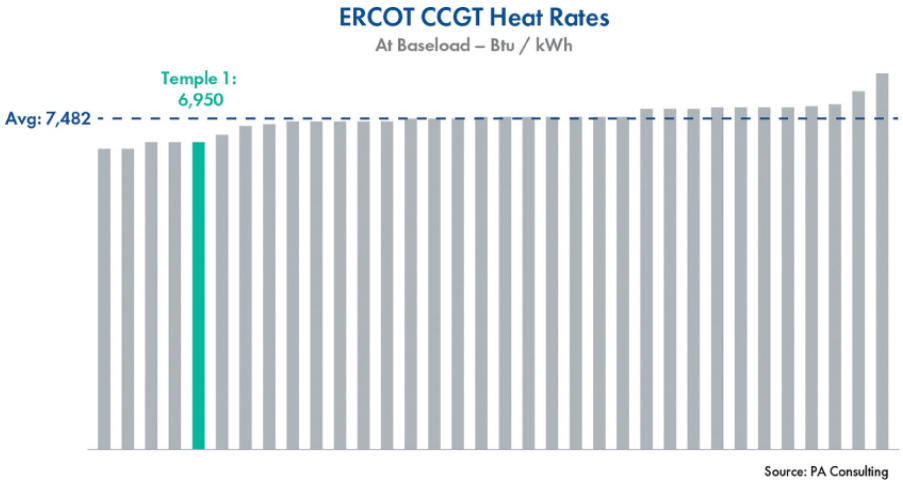
Temple I's power generation output is sold into the competitive wholesale bulk power market managed by ERCOT, Texas' electrical grid operator. ERCOT currently provides electric power to approximately 23 million people in Texas, with its customers using about 85% of the state's electric power. The operating flexibility of the power plant provides significant competitive advantages in the ERCOT market. Temple I can generate and supply the power needs of approximately 750,000 households in central Texas.

Operational since July 2014, Temple I's modern technology enables it to respond to rapidly changing market signals in real time, making it well-suited to serve the various needs of the ERCOT market. Temple I has an average power generation capacity of 755 MW. Key equipment at Temple I includes Siemens natural gas combustion turbine generators and steam turbine generators, as well as Benson heat recovery steam generators. The electrical transmission interconnection at Knob Creek Substation ensures minimal congestion risk. Temple I typically undergoes seasonal maintenance outages in spring and fall to ensure the highest operational readiness during the time when electricity consumption peaks (in winter and summer).

Temple I remained online at full capability during the historic February 2021 Winter Storm Uri and has since implemented incremental upgrades. Temple I has invested over $700,000, with an additional $140,000 in planned expenditures for 2022, to construct winterization enclosures, add insulation, and install heat tracing systems and back-up generators to provide freeze protection around at-risk piping, equipment and instrumentation in the power plant and gas yard. In 2021, a wet compression system was installed to increase the power plant's output while operating in high ambient temperatures. The system allows a larger volume of air to be compressed before being fed into the combustion process along with natural gas, thus increasing generation capacity during summer, the time when the ERCOT market's power demand typically peaks. Temple I deploys modern CCGT technology, which combines the working process of gas

combustion, turbine and steam turbine generation. It is one of the more flexible CCGTs supplying power the ERCOT system due to its ability to achieve 50% production within 10 minutes and full baseload capacity within 30 minutes. Temple I is also among the most efficient generators supplying power to ERCOT, with a baseload design heat rate of approximately 6,950 Btu/kWh, which is well below the ERCOT CCGT average, as shown in the chart below. Equipped with pollution control management systems to maintain low emissions, the power plant's high efficiency and flexible operations helps maintain its competitive position in the ERCOT market.

The following chart summarizes Temple I's realized heat rate as compared to other CCGT in ERCOT.



We expect our power generation assets will be synergistic with our base upstream business. In the near term, we will seek to establish midstream contracts that allow us to supply our own natural gas to Temple I and its firm intrastate natural gas storage service at the Bammel storage facility. Supplying our own natural gas to Temple I will reduce gas transportation costs and create reciprocal natural hedges for both businesses via vertical integration. Additionally, we leverage our existing organization to provide marketing, engineering, finance, accounting and other administrative services to the BKV-BPP Power Joint Venture for an annual fee plus expenses. In addition, the BKV-BPP Power Joint Venture is in the process of developing a retail marketing business to sell electricity to commercial, industrial, and residential retail customers in Texas through its wholly owned subsidiary, BKV-BPP Retail, LLC, and has recently received the necessary approvals from the Public Utility Commission of Texas and ERCOT to do so. We intend to continue to build out our power generation business through opportunistic acquisitions of power generation assets and to expand into retail power, which would enable us to ultimately provide net zero wellhead-to-household energy to the end-consumer.

In addition to 75,000 MMBtu/d of firm transportation services with Energy Transfer and its subsidiaries, Temple I's Bammel storage contract with Energy Transfer provides Temple I up to 2.8 Bcf of natural gas storage capacity, providing daily gas supply operating flexibility. The firm transportation and storage contracts with Energy Transfer and its subsidiaries also grant BKV-BPP Power the option to purchase and store in reserve excess natural gas, which can be released at times when gas prices are potentially higher, such as during seasonal price cycles or times of scarcity. Moreover, the potential to utilize our midstream assets to deliver and optimize natural gas feedstock to the power plant and to expand our CCUS business by sequestering post combustion CO_2 from the power plant are additional vertical integration opportunities that we intend to explore over time.

In addition, we are working with Project Canary, an environmental certification and ESG data company, to assess future development of emissions monitoring for the gas supply and combined-cycle electric production at Temple I and to explore the potential ability to certify reliability and low emissions from wellhead to electron. Furthermore, we believe there is significant opportunity from integrated retail gas

and power offerings directly to end-user customers and we are in the process of building this capability for the future. We believe we can create a differentiated offering to strategic buyers, retail and industrial customers.

BKV-BPP Power Limited Liability Company Agreement

Temple I is owned by Temple Generation Intermediate Holdings II, LLC, which is owned 100% by BKV-BPP Power, which, in turn, is owned 50% by us and 50% by BPPUS, a wholly owned subsidiary of Banpu Power. See "— *Our Relationship with Banpu*" and "*Certain Relationships and Related Party Transactions*."

We and BPPUS are each a party to the BKV-BPP Power LLC Agreement governing the BKV-BPP Power Joint Venture, which, among other things, provides that a general manager appointed by the BKV-BPP board will have the power to manage and administer the business and affairs of BKV-BPP Power, subject to specified matters reserved for approval by the BKV-BPP board. The appointment and removal of the general manager must be approved by both the BKV-BPP board and BPPUS. Transfer or encumbrance of a party's interest in BKV-BPP Power is permitted without prior approval of the other party or the BKV-BPP board. However, no transfer will be permitted if the transfer: (A) would subject BKV-BPP Power to U.S. federal securities law reporting requirements, (B) would cause BKV-BPP Power to lose its status as a U.S. partnership for federal income tax purposes or will cause BKV-BPP Power to be classified as a "publicly traded partnership," (C) would violate, give rise to a default under or cause any payment to become due under any credit agreement, guaranty, or similar credit document or any other material contract to which BKV-BPP Power or any affiliate is bound, or (D) occurs prior to the repayment by BKV-BPP Power of all loans and other amounts outstanding under the term loans.

In the event that either party admits in writing that it is unable to perform its obligations (including any obligation to provide additional capital contributions) under the BKV-BPP Power LLC Agreement, the non-defaulting party will be entitled to (i) sell the assets of the joint venture and dissolve the joint venture on reasonable terms deemed acceptable to the BKV-BPP board, (ii) obtain specific performance of the non-defaulting party's obligations, and/or (iii) exercise any other right or remedy provided in law or in equity.

The BKV-BPP board will determine the amount and timing of distributions of operating cash flow (which will be done no less frequently than once per quarter) and net capital proceeds (which will be distributed within three business days after becoming available for distribution). All distributions will be made on a pro-rata basis to us and BPPUS. As of September 30, 2022, no distributions have been made by BKV-BPP Power. Additional cash capital contributions will be required to be made by us and by BPPUS on a pro-rata basis upon 30 days written notice either by us or by BPPUS; provided that the additional contributions must be expended on items included in the annual approved budget, items in response to an emergency in the event that BKV-BPP Power does not have sufficient cash reserves to address such emergency, or any other matter approved by the BKV-BPP board. Otherwise, neither us nor BPPUS will be required to provide additional capital contributions without consent.

Major decisions and significant activities of BKV-BPP Power are reserved for approval by at least a majority of the members of the BKV-BPP board, such as, among other things, any merger, consolidation, amalgamation, conversion of BKV-BPP or any of its subsidiaries, into another form or entity or other business combination of any nature, wind up, the dissolution, liquidation, commencement or any filing or petition for a voluntary bankruptcy, reorganization, debt arrangement involving BKV-BPP Power, any plan to or initial sale of BKV-BPP Power or other equity interests to the public, any amendments, restatements or revocations of its organizational documents, execution, amendment or termination of a material contract, and any amendment to or deviation from the dividend policy of the joint venture or any of its subsidiaries. Under the terms of the BKV-BPP Power LLC Agreement:

- we do not have the power to unilaterally cause BKV-BPP Power to make distributions;
- we may be required to make additional capital contributions to fund items approved in the annual budget or other matters approved by the board of BKV-BPP Power at the request of BPPUS, which would reduce the amount of cash otherwise available for dividend payments by us on our common stock or require us to incur additional indebtedness; and

- BKV-BPP Power may incur additional indebtedness in an amount greater than $1,500,000 if approved by the board of BKV-BPP Power, which debt payments would reduce the amount of cash that might otherwise be available for distributions to us.

Carbon Capture, Utilization and Sequestration

BKV dCarbon Ventures is our business that is focused on driving CCUS innovations and project development. Through our CCUS business, we aim to reduce man-made GHG emissions by capturing CO_2 emitted in connection with natural gas activities, whether from our own operations or third party operations, as well as from other energy and industrial sources. Our process involves capturing CO_2 before it is released into the atmosphere and then compressing the captured CO_2 and transporting it via pipeline to sites where it can be injected into UIC wells. Although we formally launched our CCUS business in March 2022 with the establishment of BKV dCarbon Ventures, we have been evaluating project opportunities and developing our CCUS business for over 20 months. The development of our CCUS business has progressed rapidly, supported by internal engineering, business development and regulatory professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, we will begin generating positive CCUS business returns via tax credits and other tax benefits by the end of 2023, and we expect to begin generating positive Adjusted EBITDAX in 2025. We currently expect to be capable of funding our entire CCUS business with cash flows from operations, as well as from a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants.

We seek to execute CCUS projects with attractive standalone economics for high, medium and low CO_2 concentration streams that contribute to our goals of the full elimination and/or offset of the Scope 1 and 2 emissions in our owned and operated upstream businesses by the end of 2025 and of the Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. We estimate that our owned and operated upstream Scope 1 and 2 emissions were approximately 2.2 Mtpy CO_2e as of September 30, 2022 and that our owned and operated upstream Scope 1, 2 and 3 emissions were approximately 16.1 Mtpy CO_2e as of September 30, 2022. See "— *Path to Net Zero Emissions*" below for a description of how we estimate our Scope 1, 2 and 3 emissions. Additionally, we have identified twelve potential CCUS projects that we believe are commercially viable based on economics supported by Section 45Q tax credits and that we believe can be completed by 2029 in order to achieve our Scope 1, 2 and 3 emissions goals. Of these twelve identified projects:

- we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, which have a combined forecasted sequestration volume of approximately 0.27 Mtpy CO_2e by the end of 2024;
- three are NGP projects that we anticipate reaching FID by December 31, 2023 and, if FID is approved, achieving forecasted sequestration volume of approximately 1.39 Mtpy CO_2e by the end of 2025;
- three are higher concentration industrial projects that we anticipate reaching FID by the end of 2023 and, if FID is approved, achieving first sequestration between 2026 and 2029 and which have a combined forecasted sequestration volume of approximately 14.5 Mtpy CO_2e; and
- four other CCUS projects are under evaluation that have a combined forecasted sequestration volume of approximately 13.24 Mtpy CO_2e.

In addition, we expect to continuously identify and evaluate additional CCUS projects. While the aggregate forecasted volume of carbon capture and sequestration from our twelve identified potential CCUS projects is approximately 30 Mtpy CO_2e, which is more than our current Scope 1, 2 and 3 emissions from our owned and operated upstream businesses, we do not anticipate achieving an aggregate yearly volume of sequestration of 30 Mtpy CO_2e by the early 2030s and there can be no guarantee that we will be able to execute and complete any of the twelve identified CCUS projects (or any other CCUS projects) with sufficient volumes of CO_2e sequestration to achieve our Scope 1, 2 and 3 emissions goals on the timelines we anticipate. Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive

agreements with respect to the other ten potential projects we have identified above and may not be able to reach agreement on terms acceptable to us, or to achieve our projected timeline for commercial operations. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business.* "

Barnett Zero Project

In June 2022, we reached FID and entered into a definitive agreement in connection with our first high concentration CCUS project in the Barnett with EnLink. This CCUS project, which we refer to as the Barnett Zero Project, will separate CO_2 from substantially all of our EnLink-gathered natural gas production. In the Barnett Zero Project, EnLink will transport our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO_2 waste stream will be captured, compressed and then sequestered via our nearby injection well. We expect the Barnett Zero Project to achieve an average sequestration rate of up to approximately 185,000 metric tons of CO_2e per year. We estimate this initial CCUS project will represent more than 8% of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, with the first injection scheduled for the second half of 2023. Following commencement of commercial operations of our project with EnLink, we intend to use this project as a prototype for modular projects that can be repeated and quickly scaled.

Cotton Cove Project

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. This CCUS project, which we refer to as the Cotton Cove Project, will separate, dispose of, and geologically sequester CO_2 generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove Project will geologically sequester up to approximately 45,000 metric tons of CO_2e per year initially, which we expect will increase to an average of up to approximately 82,350 metric tons of CO_2e per year by the end of 2024 through ongoing well development in the area. We currently estimate the total investment required by us for the Cotton Cove Project to be between approximately $14.0 and $24.0 million. We intend to own or hold the source, the capture, the transportation pipeline and the lease to the pore space with respect to this project. We are targeting commencement of CO_2 sequestration activities by the first half of 2024, subject to our ability to secure all required permits, at which point we expect this project will be the second of our current modular line of identified potential NGP projects under evaluation as described above. As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO_2e from low concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost. We expect this project will offset our current Scope 1 and 2 annual emissions from our owned and operated upstream businesses by approximately 4% by 2025. Although the Barnett Zero Project and the Cotton Cove Project represent approximately 8% and 4%, respectively, of our estimated Scope 1 and 2 emissions from our owned and operated upstream businesses, the emissions reductions from these two projects combined represent approximately 0.27 Mtpy CO_2e, or 45% of our remaining Scope 1 and 2 emissions after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power (estimated to be approximately 0.61 Mtpy CO_2e), bringing us closer to our goal of reaching net zero across our Scope 1 and 2 owned and operated upstream businesses by the end of 2025. See "— *Path to Net Zero Emissions*."

BKV Verde

In August 2022, we entered into a development agreement with Verde CO2, an independent carbon capture and sequestration developer and operator, to identify, evaluate and develop additional CCUS projects throughout the United States. We believe our agreement with Verde CO2 will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes

through carbon capture and permanent sequestration. As of November 17, 2022, we have paid $8.3 million to Verde CO2 under the development agreement.We currently expect to invest up to $250.0 million over the next three years to fund efforts by BKVerde, a subsidiary of BKV dCarbon Ventures, to efficiently identify and evaluate feasible CCUS projects, and to execute on those projects. We expect to fund BKVerde through BKV's cash flow from operations. See "— *Recent Developments — CCUS Project Development with Verde CO2*."

Additional Projects

In addition to the Barnett Zero Project and the Cotton Cove Project, we have identified three potential NGP projects that we expect to reach FID by year end 2023. A significant portion of the carbon capture infrastructure and midstream infrastructure necessary to execute these potential NGP projects already exists. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable, we expect these projects to start sequestration operations before December 31, 2025. We expect these three NGP projects to have individual sequestration volumes of approximately 0.29, 0.5 and 0.6 Mtpy CO_2e, respectively, and a combined aggregate sequestration volume of approximately 1.39 Mtpy CO_2e. The volume of forecast sequestration from these projects, together with approximately 0.27 Mtpy CO_2e expected to be sequestered by the Barnett Zero Project and the Cotton Cove Project (all together having a combined forecast sequestration volume of approximately 1.66 Mtpy CO_2e), would be capable of offsetting more emissions by December 31, 2025 than our remaining Scope 1 and 2 emissions from our owned and operated upstream businesses (estimated to be approximately 0.61 Mtpy CO_2e, after taking into account the expected reductions from our "Pad of the Future" program, emissions and leak surveys, and installation of solar power). See "— *Path to Net Zero Emissions.*" However,we have not reached FID or entered into definitive agreements for any of these three additional NGP projects and we may not complete all or any of these three additional NGP projects by December 31, 2025, in which case, we may not be able to achieve our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses by the end of 2025.

We are currently evaluating and have begun commercial discussions with respect to seven additional CCUS projects. Three of these seven additional CCUS projects are potential industrial projects that we anticipate will reach FID by the end of 2023. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect to initiate sequestration operations between 2026 and 2029. We expect these three potential industrial CCUS projects to have a combined aggregate sequestration volume of approximately 14.5 Mtpy CO_2e. We anticipate that the remaining four potential CCUS projects may reach FID during or after 2024. If approved at FID, and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect such projects to begin sequestration operations between 2026 and 2029. We expect these four potential CCUS projects to have a combined aggregate sequestration volume of approximately 13.24 Mtpy CO_2e. These seven potential CCUS projects have a combined forecasted sequestration volume of approximately 27.74 Mtpy CO_2e. We believe that we will be able to complete a sufficient number of these or other CCUS projects in order to meet our Scope 1, 2 and 3 emissions goals by the early 2030s. See "— *Path to Net Zero Emissions*" for a more detailed description of how we anticipate reaching our Scope 1, 2 and 3 emissions goals.

We estimate the aggregate investment required by us to offset all of our Scope 3 emissions through a sufficient number of the identified potential CCUS projects and associated carbon credits, to be between approximately $1.3 billion and $1.8 billion over the next seven to ten years. We expect to be capable of funding this investment cost through our cash flows from operations, as well as a variety of external sources, at our discretion, which may include joint ventures, project-based equity partnerships and federal grants. We are able to moderate the capital required to fund our CCUS business, as our CCUS business model provides flexibility for us to selectively invest in only the sequestration component of a project or in the capture, transportation and sequestration components, depending on the scope of the project. In addition, we anticipate that some of the project costs will be borne by third party investors in these projects, including emitters, landowners and other stakeholders.

We believe we can achieve our goal of net zero Scope 1, 2 and 3 emissions for our owned and operated upstream businesses by the early 2030s if we are able to complete the minimum number of these identified CCUS projects having a sufficient forecasted volume of carbon capture to offset those emissions on the

timeline and upon terms that we believe are obtainable. However, large scale CCUS projects are subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all, in which case, we may not be able to achieve our net zero emissions goals on the timelines we have established.

For facilities placed in service on or after February 9, 2018 and before January 1, 2023, the current Section 45Q tax credit policy generally provides the capturing parties a tax credit that escalates until 2026, when it reaches $50 per ton for CO_2 directly stored in geologic formations, annually escalating for inflation thereafter. For facilities placed in service after December 31, 2022, the credit amount is increased to $85 per ton, subject to satisfaction or nonapplication of certain prevailing wage and apprenticeship requirements (or $17 per ton if applicable prevailing wage and apprenticeship requirements are not satisfied), with adjustments for inflation after 2026. In either case, the Section 45Q tax credit is available for a 12-year period for qualifying facilities that begin construction before January 1, 2033. These CCUS projects will capture and sequester sufficient emission quantities to achieve our upstream Scope 1 and 2 net zero goals (based upon current upstream production without giving effect to the Exxon Barnett Acquisition), in addition to offsetting a portion of our upstream Scope 3 emissions from our owned and operated upstream businesses.

To help us achieve our goal of becoming a leader in CCUS, we established a steering committee that includes two engineers renowned for their work in the development of CCUS projects: Dr. Paitoon (P.T.) Tontiwachwuthikul (Professor of Industrial & Process Systems Engineering & Fellow, Canadian Academy of Engineering) and Dr. Malcolm A. Wilson (Program Director, CO_2 Management, Office of Energy & Environment (OEE), Adjunct Professor of Engineering and Graduate Studies). These individuals are professors at the University of Regina, a leading carbon capture research institution, and each has been engaged in CCUS for over 30 years.

Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. Our ability to establish large scale CCUS projects is subject to numerous risks and uncertainties, including reaching definitive agreements with third parties and obtaining necessary permits and other regulatory approvals, and we may be unable to execute on some or all of these projects on the timeline we anticipate, on terms acceptable to us or at all, in which case, we may not be able to achieve our net zero emissions goals on the timelines we have established. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business.*"

Summary of Our Reserve Estimates

Ryder Scott, our independent petroleum engineers, prepared estimates of our natural gas, NGL and oil reserves as of December 31, 2021 and 2020, and as of September 30, 2022, including the assets we acquired in the Exxon Barnett Acquisition. These reserve estimates were prepared in accordance with the rules and regulations of the SEC regarding oil and natural gas reserve reporting using SEC Pricing (except for the table that provides our estimated reserves as of September 30, 2022 at "NYMEX strip pricing" using pricing based on NYMEX future prices as of market close on September 30, 2022). For more information about our reserve volumes and values, see "*Business — Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserve reports, which are filed as exhibits to the registration statement of which this prospectus forms a part.

The following table provides our estimated proved reserve, probable reserve and possible reserve information prepared by Ryder Scott as of September 30, 2022 and December 31, 2021 and 2020 and PV-10 Value and the Standardized Measure for each period. The increase in our proved reserves and the PV-10 Value of those reserves as of September 30, 2022 as compared to December 31, 2021 is primarily due to the

Exxon Barnett Acquisition, our refrac and restimulation program and the increase in natural gas prices used in preparing the December 31, 2021 reserve information. There are numerous uncertainties inherent in estimating quantities of natural gas, NGL and oil reserves and their values, including many factors beyond our control. In addition, estimates of probable and possible reserves are inherently imprecise and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — Our estimated natural gas, NGL and oil reserve quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves*." For more information about our proved reserves, see "*Business — Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserve reports, which are filed as exhibits to the registration statement of which this prospectus forms a part.

Estimated Reserves at SEC Pricing [(1)]

		December 31,	
	September 30, 2022	2021	2020
Estimated proved developed reserves:			
Natural gas (MMcf)	3,857,807	2,494,926	1,893,161
Producing	3,466,758	2,346,712	1,893,161
Non-producing	391,049	148,214	0
Natural gas liquids (MBbls)	177,692	151,433	107,234
Producing	163,830	142,961	107,234
Non-producing	13,862	8,472	0
Oil (MBbls)	1,123	867	723
Producing	1,019	876	723
Non-producing	104	0	0
Total estimated proved developed reserves (MMcfe)	4,930,696	3,408,723	2,540,901
Producing	4,455,853	3,209,679	2,540,901
Non-producing	474,843	199,044	0
Standardized Measure (millions)	$ 6,150	$ 2,119	$ 504
PV-10 (millions)[(2)(3)]	$ 7,844	$ 2,672	$ 552
Estimated proved undeveloped reserves:			
Natural gas (MMcf)	1,140,466	950,359	92,373
Natural gas liquids (MBbls)	42,896	13,722	—
Oil (MBbls)	620	58	—
Total estimated proved undeveloped reserves (MMcfe) [(4)(5)]	1,401,561	1,033,040	92,373
Standardized Measure (millions)	$ 1,498	$ 294	$ 6
PV-10 (millions)[(2)(6)]	$ 1,974	$ 403	$ 9
Estimated proved reserves:			
Natural gas (MMcf)	4,998,273	3,445,285	1,985,534
Natural gas liquids (MBbls)	220,587	165,155	107,234
Oil (MBbls)	1,743	925	723
Total estimated proved reserves (MMcfe)	6,332,257	4,441,763	2,633,274
Standardized Measure (millions)	$ 7,648	$ 2,413	$ 510
PV-10 (millions)[(2)(7)]	$ 9,818	$ 3,074	$ 561

	September 30, 2022	December 31, 2021	December 31, 2020
Estimated probable reserves:			
Natural gas (MMcf)	940,531	522,442	61,884
Natural gas liquids (MBbls)	67,117	31,227	—
Oil (MBbls)	1,625	486	—
Total estimated probable reserves (MMcfe) [5][8]	1,352,989	712,725	61,884
Standardized Measure (millions)	$ 851	$ 146	$ —
PV-10 (millions)[2][9]	$ 1,126	$ 202	$ —
Estimated possible reserves:			
Natural gas (MMcf)	552,597	381,941	—
Natural gas liquids (MBbls)	35,121	32,047	—
Oil (MBbls)	1,364	1,841	—
Total estimated possible reserves (MMcfe) [5][8]	771,478	585,269	—
Standardized Measure (millions)	$ 324	$ 51	$ —
PV-10 (millions)[2][10]	$ 432	$ 75	$ —

(1) Prices for natural gas, oil and NGLs, respectively, used in preparing our estimated proved reserves and the associated PV-10 Value based on SEC Pricing (i) at September 30, 2022 were $6.127 per MMbtu (Henry Hub), $91.71 per Bbl (WTI Cushing) and pricing equal to 40% of WTI Cushing, (ii) at December 31, 2021 were $3.598 per MMbtu (Henry Hub), $66.56 per Bbl (WTI Cushing) and pricing equal to 39.5% of WTI Cushing and (iii) at December 31, 2020 were $1.985 per MMbtu (Henry Hub), $39.57 per Bbl (WTI Cushing) and pricing equal to 47% of WTI Cushing.

(2) PV-10 refers to the estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and future development costs, using prices and costs in effect at the determination date, without giving effect to non-property related expenses such as general and administrative expenses, debt service and future income tax expense or to depreciation, depletion and amortization, discounted using an annual discount rate of 10%. PV-10 is not a financial measure calculated in accordance with GAAP because it does not include the effects of income taxes on future net revenues. PV-10 is derived from the Standardized Measure, which is the most directly comparable GAAP financial measure. Neither PV-10 nor Standardized Measure represent an estimate of the fair market value of our oil and natural gas properties. We believe that the presentation of PV-10 is relevant and useful to investors because it presents the discounted future net cash flows attributable to our estimated net proved reserves prior to taking into account future corporate income taxes, and it is a useful measure for evaluating the relative monetary significance of our oil and gas properties. It is not intended to represent the current market value of our estimated reserves. PV-10 should not be considered in isolation or as a substitute for the Standardized Measure reported in accordance with GAAP, but rather should be considered in addition to the Standardized Measure. See "*Prospectus Summary —Summary*."

(3) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved developed reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 7,844	$2,672	$552
Present value of future income taxes discounted at 10%	(1,694)	(553)	(48)
Standardized Measure	$ 6,150	$2,119	$504

(4) Proved undeveloped reserves as of December 31, 2021 and as of September 30, 2022 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years.

(5) Sustained lower prices for oil and natural gas may cause us to forecast less capital to be available for development of our PUD, probable and possible reserves, which may cause us to decrease the amount of our PUD, probable and possible reserves we expect to develop within the allowed time frame. In addition, lower oil and natural gas prices may cause our PUD, probable and possible reserves to become uneconomic to develop, which would cause us to remove them from their respective reserve category.

(6) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved undeveloped reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 1,974	$ 403	$ 9
Present value of future income taxes discounted at 10%	(476)	(108)	(3)
Standardized Measure	$ 1,498	$ 294	$ 6

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 9,818	$3,074	$561
Present value of future income taxes discounted at 10%	2,170	(661)	(51)
Standardized Measure	$ 7,648	$2,413	$510

(8) Estimates of probable and possible reserves, respectively, and the respective future cash flows related to such estimates, are inherently imprecise and are more uncertain than proved reserves, and the future cash flows related to such estimates. For more information regarding the presentation of probable and possible reserves, see "*Business — Preparation of Reserve Estimates and Internal Controls*."

(9) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 1,126	$202	$ —
Present value of future income taxes discounted at 10%	(275)	(56)	—
Standardized Measure	$ 851	$146	$ —

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible reserves as of September 30, 2022 and December 31, 2021 and 2020:

	September 30, 2022	December 31, 2021	December 31, 2020
PV-10 (millions)	$ 432	$ 75	$ —
Present value of future income taxes discounted at 10%	(108)	(24)	—
Standardized Measure	$ 324	$ 51	$ —

During the nine months ended September 30, 2022 and the year ended December 31, 2021, we incurred costs of approximately $26.0 million and $7.2 million, respectively, to convert 41.4 Bcfe and 19.4 Bcfe, respectively, of proved undeveloped reserves to proved developed reserves. Estimated future development costs relating to the development of our proved undeveloped reserves at September 30, 2022 and December 31, 2021 are approximately $963.2 million and $578.3 million, respectively, over the next five years, substantially all of which we expect to finance through cash flow from operations. Our development programs through the first three quarters of 2022 focused on refracturing under-stimulated wells and designing and drilling new wells in both our Barnett and Marcellus assets. All of our PUD reserves are scheduled to be developed within five years of their initial disclosure as PUDs. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate*."

2021 Activity

During the year ended December 31, 2021, the Company's proved reserves increased by 1,808.5 Bcfe. The increase in proved reserves was primarily due to increasing commodity pricing improving economics, and additions to the drilling schedule for both proved developed and undeveloped reserves. The Company produced 245.8 Bcfe during the year ended December 31, 2021.

Revisions of previous estimates primarily consisted of upward revisions to proved developed reserves and proved undeveloped reserves of 715.9 Bcfe and 245.6 Bcfe, respectively, as a result of higher average pricing during 2021 for natural gas, NGLs and oil. The remaining upward adjustment of 139.8 Bcfe relates to upward performance adjustments of 219.2 Bcfe to proved developed reserves offset by a downward revision of 79.4 Bcfe to proved developed reserves due to increased production costs.

Extensions and discoveries increased as a result of the completion of our of properties acquired through our Barnett Asset Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 143.2 Bcfe related to 13.0 gross (9.6 net) locations in the Marcellus Basin recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 34.8 Bcfe consisted of 14 gross (5.9 net) newly drilled wells.

Improved recoveries consisted of 205.4 Bcfe of proved developed reserves recognized as a result of the application of improved recovery techniques to producing wells during the year ended December 31, 2021.

2020 Activity

During the year ended December 31, 2020, the Company's proved reserves increased by 1,684.5 Bcfe. The increase in proved reserves was due to the Barnett Asset Acquisition offset by downward revisions primarily due to lower average pricing for natural gas during 2020.The Company produced 111.7 Bcfe during the year ended December 31, 2020.

Revisions of previous estimates of proved undeveloped reserves primarily consisted of a downward revision to proved undeveloped reserves of 146.7 Bcfe due to a combination of performance adjustments and lower average pricing of natural gas during 2020, and a downward revision of 186.5 Bcfe which removed locations due to lower average pricing of natural gas during 2020. Proved developed reserves were adjusted downward by 48.8 Bcfe due to lower average natural gas prices and performance.

There were no extensions and discoveries of proved developed or proved undeveloped reserves during the year ended December 31, 2020.

Estimated Reserves at NYMEX Strip Pricing

The following table provides our total estimated proved reserve, probable reserve and possible reserve information prepared by Ryder Scott as of September 30, 2022, using NYMEX strip prices as of market close on September 30, 2022 and PV-10 Value and the Standardized Measure for such period. We have included this information in order to provide an additional method of presentation of the fair value of our assets and the cash flows that we expect to generate from those assets based on the market's forward-looking pricing expectations as of September 30, 2022. The historical 12-month pricing average in our September 30, 2022 disclosures above does not reflect the prevailing natural gas and oil futures. We believe that the use of forward prices provides investors with additional useful information about our reserves, as the forward prices are based on the market's forward-looking expectations of natural gas and oil prices as of a certain date, although we caution investors that this information should be viewed as a helpful alternative, not a substitute, for the data presented based on SEC Pricing. In addition, we believe that NYMEX strip pricing provides relevant and useful information because it is widely used by investors in our industry as a basis for comparing the relative size and value of our reserves to our peers. Our estimated reserves based on NYMEX futures were otherwise prepared on the same basis as our SEC reserves for the comparable period. Actual future prices may vary significantly from the NYMEX strip prices on September 30, 2022. Actual revenue and value generated may be more or less than the amounts disclosed. There are numerous uncertainties inherent in estimating quantities of natural gas, NGL and oil reserves and their values, including many factors beyond our control. In addition, estimates of probable and possible reserves are inherently imprecise

and are more uncertain than proved reserves but have not been adjusted for risk due to that uncertainty, and therefore they may not be comparable with each other and should not be summed either together or with estimates of proved reserves. See "*Risk Factors — Risks Related to Our Upstream Business and Industry — Our estimated natural gas, NGL and oil reserve quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserve estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.*"

	September 30, 2022
Estimated proved developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	3,664,049
Producing	3,275,209
Non-producing	388,839
Natural gas liquids (MBbls)	167,260
Producing	153,398
Non-producing	13,862
Oil (MBbls)	1,059
Producing	955
Non-producing	104
Total estimated proved developed reserves (MMcfe)	4,673,960
Producing	4,201,327
Non-producing	472,633
Standardized Measure (millions)	3,846
PV-10 (millions)[(1)]	4,847
Estimated proved undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	1,139,781
Natural gas liquids (MBbls)	42,895
Oil (MBbls)	620
Total estimated proved undeveloped reserves (MMcfe) [(2)(3)]	1,400,871
Standardized Measure (millions)	717
PV-10 (millions)[(3)(4)]	960
Estimated proved reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	4,803,830
Natural gas liquids (MBbls)	210,155
Oil (MBbls)	1,679
Total estimated proved reserves (MMcfe)	1,790,770
Standardized Measure (millions)	$ 4,563
PV-10 (millions)[(5)]	$ 5,807
Estimated probable reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	923,286
Natural gas liquids (MBbls)	210,155
Oil (MBbls)	1,605
Total estimated probable reserves (MMcfe) [(3)(6)]	1,332,901
Standardized Measure (millions)	$ 373
PV-10 (millions)[(3)(7)]	$ 423
Estimated possible reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	521,542
Natural gas liquids (MBbls)	30,699
Oil (MBbls)	1,128
Total estimated possible reserves (MMcfe) [(3)(6)]	712,508

	September 30, 2022
Standardized Measure (millions)	$ 99
PV-10 (millions)[3][8]	$ 139

(1) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved developed reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 4,847
Present value of future income taxes discounted at 10%	(1,001)
Standardized Measure	$ 3,846

(2) Proved undeveloped reserves as of September 30, 2022 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years.

(3) Sustained lower prices for oil and natural gas may cause us to forecast less capital to be available for development of our PUD, probable and possible reserves, which may cause us to decrease the amount of our PUD, probable and possible reserves we expect to develop within the allowed time frame. In addition, lower oil and natural gas prices may cause our PUD, probable and possible reserves to become uneconomic to develop, which would cause us to remove them from their respective reserve category.

(4) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved undeveloped reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 960
Present value of future income taxes discounted at 10%	(243)
Standardized Measure	$ 717

(5) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated proved reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 5,807
Present value of future income taxes discounted at 10%	(1,244)
Standardized Measure	$ 4,563

(6) Estimates of probable and possible reserves, respectively, and the respective future cash flows related to such estimates, are inherently imprecise and are more uncertain than proved reserves, and the future cash flows related to such estimates. For more information regarding the presentation of probable and possible reserves, see "— *Preparation of Reserve Estimates and Internal Controls.*"

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated probable reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 423
Present value of future income taxes discounted at 10%	(50)
Standardized Measure	$ 373

(8) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible reserves as of September 30, 2022:

	September 30, 2022
PV-10 (millions)	$ 139
Present value of future income taxes discounted at 10%	(40)
Standardized Measure	$ 99

Preparation of Reserves Estimates and Internal Controls

Our reserve estimates as of December 31, 2020, December 31, 2021 and September 30, 2022 included in this prospectus are based on reports prepared by Ryder Scott, our independent reserve engineer, in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines established by the SEC in effect at such time. We rely on Ryder Scott's expertise to ensure that our reserve estimates are prepared in compliance with SEC rules, regulations and disclosure guidelines and that appropriate geologic, petroleum engineering, and evaluation principles and techniques are applied in accordance with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers titled "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (Revision as of June 2019)." Copies of Ryder Scott's reserve reports are included as exhibits to the registration statement of which this prospectus forms a part.

The person at Ryder Scott responsible for the preparation of the reserve report is Stephen E. Gardner, a Licensed Professional Engineer in the State of Colorado (No. 44720). Mr. Gardner, an employee of Ryder Scott since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level. Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

Our internal staff of petroleum engineers, geoscience professionals, operations, land, finance and accounting, and marketing personnel prior to our annual reserves process, work closely together to ensure the integrity, accuracy and timeliness of data so that our reservoir engineering team can review such data and then furnish it to, and work with, our independent reserve engineers in their reserve evaluation process. Our internal reserves process follows a rigorous workflow where the multidisciplinary teams come together to vet our model assumptions and input and get final signoff before our technical team meets with the independent reserve engineers to review properties and discuss methods and assumptions used to prepare reserve estimates. Our Chief Technology Services Officer, Ethan Ngo, is primarily responsible for overseeing the independent reserve engineers during the process. Mr. Ngo has over 14 years of conventional and unconventional experience on and offshore across the lower 48 states with a major oil and gas company, independent oil and gas companies, and a private-equity-backed oil and gas company. Mr. Ngo has a BS in Civil Engineering and Masters in Petroleum Engineering and International Political Economy of Resources from the Colorado School of Mines, and a MBA from the University of Colorado, Denver.

Ryder Scott relies on various data provided by our internal reservoir engineering team in preparing its reserve estimates, including such items as oil and natural gas prices, ownership interests, production information, operating costs, planned capital expenditures and other technical data. Our internal reservoir engineering team consists of qualified petroleum engineers who maintain our internal evaluation of reserves and compare our information to the reserves prepared by Ryder Scott. Management is responsible for designing the internal control procedures used in the preparation of our oil and gas reserves, which include verification of data input into reserve forecasting and economics evaluation software, as well as multi-discipline management reviews. The internal reservoir engineering team reports directly to our Senior Vice President of Engineering.

Proved developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Proved behind pipe (proved developed non-producing) oil and gas reserves are new reserves that can be expected to be recovered through existing wells,

active or shut-in, where expenditure is required to access the new reserves. Proved undeveloped oil and gas reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for completion. Proved undeveloped reserves on undrilled acreage are limited to those locations on development spacing areas that are offsetting economic producers that are reasonably certain of economic production when drilled. Proved undeveloped reserves for other undrilled development spacing areas are claimed only where it can be demonstrated with reasonable certainty that there is continuity of economic production from the existing productive formation. Proved undeveloped reserves are included only if a development plan has been adopted indicating that such locations are scheduled to be drilled within five years.

Estimates of probable reserves, and the future cash flows related to such estimates, are inherently imprecise and are more uncertain than estimates of proved reserves, and the future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of probable reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved and possible reserves, respectively, and the respective future cash flows related to such estimates, and should not be summed arithmetically with estimates of either proved or possible reserves, respectively, and the respective future cash flows related to such estimates. When producing an estimate of the amount of natural gas, NGLs and oil that is recoverable from a particular reservoir, an estimated quantity of probable reserves is an estimate of those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered. Estimates of probable reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors. When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir. Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

Estimates of possible reserves, and the future cash flows related to such estimates, are also inherently imprecise and are more uncertain than estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, but have not been adjusted for risk due to that uncertainty. Because of such uncertainty, estimates of possible reserves, and the future cash flows related to such estimates, may not be comparable to estimates of proved and probable reserves, respectively, and the respective future cash flows related to such estimates, and should not be summed arithmetically with estimates of either proved or probable reserves, respectively, and the respective future cash flows related to such estimates. When producing an estimate of the amount of natural gas, NGLs and oil that is recoverable from a particular reservoir, an estimated quantity of possible reserves is an estimate that might be achieved, but only under more favorable circumstances than are likely. Estimates of possible reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors. When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. Possible reserves may be assigned to areas of a reservoir adjacent to probable reserve where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir. Possible reserves also include incremental quantities associated with a greater percentage of recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves. Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and we believe that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

Uncertainties are inherent in estimating quantities of proved, probable and possible reserves, including many factors beyond our control. Reserve engineering is a subjective process of estimating subsurface

accumulations of oil and natural gas that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and its interpretation. As a result, estimates by different engineers often vary, sometimes significantly. In addition, physical factors such as the results of drilling, testing, and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices or development and production expenses, may require revision of such estimates. Accordingly, quantities of oil and natural gas ultimately recovered will vary from reserve estimates. See "*Risk Factors*" for a description of some of the risks and uncertainties associated with our upstream business and reserves.

Reserve estimates are based on production performance, data acquired remotely or in wells, and are guided by petrophysical, geologic, geophysical and reservoir engineering models. Estimates of our proved reserves were based on deterministic methods. In the case of mature developed reserves, reserve estimates are determined by decline curve analysis and in the case of immature developed and undeveloped reserves, by analogy, using proximate or otherwise appropriate examples in addition to volumetric and statistical analyses. The technologies and economic data used in estimating our proved reserves include empirical evidence through drilling results and well performance, well logs and test data, geologic maps and available surface and downhole pressure data, and production and reservoir data. Further, the internal review process of our wells and related reserve estimates includes but is not limited to the following:

- 3D seismic-based subsurface maps,
- Petrophysical estimates of original gas in place,
- Volumetric estimates for producing wells,
- Decline curve analysis,
- Rate transient and analytical model analysis,
- Statistical analysis and Monte Carlo simulation, and
- Fracture modeling.

Our estimated proved reserves were determined using average first-day-of-the-month prices for the prior 12 months in accordance with SEC guidance. Regional variations in pricing and related deductions are similarly obtained and a 12-month average is calculated at year end.

For the nine months ended September 30, 2022 and the years ended December 31, 2021 and 2020, Ryder Scott and our multidisciplinary team of technical and other professionals jointly reviewed our well performance and future development plans. Following that joint review, we furnished our internal reserve database and supporting data to Ryder Scott to facilitate their preparation of independent reserve estimates and final reports. Access to our database containing reserve information is restricted to select individuals from our engineering department.

Seasonality

Weather conditions have a significant impact on the demand for natural gas used for heating loads and natural gas-fired power generation. Demand for natural gas is generally at its lowest during the spring and fall months and peaks during the summer and winter months. Demand in the winter season peaks due to residential and commercial heating load demand, while the summer season peaks due to cooling loads, which calls on increased natural gas fired power generation loads. However, seasonal anomalies such as warmer than normal winters or cooler than normal summers can lessen the magnitude of the seasonal fluctuations in demand. In addition, natural gas storage facilities are utilized to bring additional supply to the market that is utilized to meet peak demand levels during both winter and summer seasons.

In addition to the demand side effects, specific seasonal weather events can also have an effect on available natural gas supply. In recent history, much colder than normal weather has induced wellhead freeze-offs in various regional supply markets, which ultimately lessens supply available to broader markets. Various weather events related to the summer months can similarly have detrimental effects on available supply also.

These seasonal anomalies can also increase competition for equipment, supplies and personnel during the spring and summer months, which could lead to shortages and increase costs or delay our operations. Similarly, winter months may bring about delays in operational capabilities and efficiency of execution related to new and existing supply.

Enterprise Risk Management (ERM)

We have a standing risk management committee ("RMC") which meets regularly and assesses, mitigates and provides direction on management of key enterprise risks. RMC members include executives and senior leaders within various functions such as legal, information technology, marketing, regulatory and sustainability, safety, security, operations, finance and accounting, and land.

COVID-19 Impact

Since the start of the COVID-19 pandemic, governments have tried to slow the spread of the virus by imposing social distancing guidelines, travel restrictions and stay-at-home orders, among other actions, which caused a significant decrease in activity in the global economy and the demand for oil, and to a lesser extent, natural gas and NGLs. As vaccines have become widely available, social distancing guidelines, travel restrictions and stay-at-home orders have eased, activity in the global economy has increased and demand for natural gas, NGLs and oil and related commodity pricing, has improved. However, new variants of the virus could cause further commodity market volatility and resulting financial market instability, and these are variables beyond our control that may adversely impact our operating cash flows, distributions from unconsolidated affiliates, our ability to pay dividends on our common stock and our ability to access the capital markets.

As a producer of natural gas and NGLs, we are recognized as an essential business under various federal, state and local regulations related to the COVID-19 pandemic. As such, we have continued to operate throughout the pandemic as permitted under these regulations while taking steps to protect the health and safety of our workers. We have implemented protocols to reduce the risk of an outbreak within our field operations and corporate offices, and these protocols have not reduced our production and our throughput in a significant manner. A substantial portion of our non-field level employees currently operate in remote work from home arrangements, and we have been able to effectively maintain our day-to-day operations. We continue to monitor the COVID-19 environment in order to protect the health and safety of our employees and contract workers.

Our supply chain has not experienced any significant interruptions as a result of the COVID-19 pandemic. The lack of a market or available storage for any one NGL product or oil could result in our having to delay or discontinue well completions and commercial production or shut-in production for other products because we cannot curtail the production of individual products in a meaningful way without reducing production of other products. Potential impacts of these constraints may include partial shut-in of production, although we are not able to determine the extent of shut-ins or for how long they may last. However, because some of our wells produce rich gas, which is processed, and some produce lean gas, which does not require processing, we can change the mix of products that we produce and wells that we complete to adjust our production to address takeaway capacity constraints for certain products. For example, we can shut-in rich gas wells and still produce from our lean gas wells if processing or storage capacity of NGL products becomes limited or constrained.

Customers and Product Marketing

We utilize an unaffiliated third party to market all of our natural gas and oil production to various purchasers, which consist of credit-worthy counterparties, including utilities, LNG producers, industrial consumers, major corporations and super majors, in our industry. This third party collects directly from the purchasers and remits to us the total of all amounts collected on our behalf less their fee for making such sales. We do not believe the loss of any customer would have a material adverse effect on our business, as other customers or markets are currently accessible to us.

Our ability to market oil and natural gas depends on many factors beyond our control, including the extent of domestic production and imports of oil and natural gas, available storage, the proximity of our

natural gas and oil production to pipelines and corresponding markets, the available capacity in such pipelines, the demand for natural gas and oil, the effects of weather, and the effects of state and federal regulation. While we have not experienced significant difficulty in finding a market for our production as it becomes available or in transporting our production to those markets, there is no assurance that we will always be able to market all of our production or obtain favorable prices.

Marketing and Differentials

In NEPA, we continually monitor ongoing market dynamics to ensure equity gas sales are well positioned in terms of market optionality and counterparty liquidity. Within our operating area, sales are generally exposed to indices (denoted in parentheses) located on Eastern Gas Pipeline (South), Millennium Pipeline (East Pool), Tennessee Gas Pipeline (Zone 4) and Transco Pipeline (Leidy). From time to time, we will enter into longer-term commitments with downstream pipelines for firm transportation service. As of September 30, 2022, we have multiple contracts for firm transportation services including a combined 90,000 MMBtu/d to various locations on Tennessee Gas Pipeline, 27,500 MMBtu/d on Millennium Pipeline and 20,000 MMBtu on Eastern Gas Pipeline, which provide access to premium markets in New England (Algonquin), the Northeast and Gulf Coast areas. The remaining term on these contracts range from one year to 15 years, with an average remaining duration of 7.5 years as of September 30, 2022.

In the Barnett, we have several firm transportation contracts specific to the Devon Barnett Acquisition to transport natural gas volumes out of the Barnett to premium markets, including 200,000 MMBtu/d to the Katy area, 200,000 MMBtu/d of intra-basin aggregation transport, which feeds 200,000 MMBtu/d of interstate transport to Transco Zone 4 Station 85, and 80,000 MMBtu/d to NGPL-TxOk with term end dates ranging through 2023 and 2024. The capacity to NGPL-TxOk is currently approximately 15,000 MMBtu/d deficient, however we reserve the right to tranche this capacity down annually to match production. BKV is currently negotiating an extension of several Barnett transport agreements to preserve optionality to transport volumes out of the Barnett.

We were assigned 270,000 MMBtu/d of firm transport on Energy Transfer and Houston Pipe Line Company LP in connection with the closing of the Exxon Barnett Acquisition, which contract will expire in 2027. The contract with Energy Transfer and Houston Pipe Line provides access to the NGPL-TxOk market. Additionally, we executed a transaction confirmation with XTO Energy, Inc., which had the structural effect of assigning 170,000 MMBtu/d of firm capacity on Midcontinent Express Pipeline providing access to premium markets at Transco Zone 4 Station 85, which contract will expire in late 2022.

As it relates to Temple I, in addition to 2,812,500 MMBtu of storage at Energy Transfer's Bammel storage facility which expires in late 2027, BKV-BPP Power holds 75,000 MMBtu/d of firm transport with Energy Transfer and its subsidiaries which supports receipt of gas from the Katy Area with delivery to the Temple Facility and expires in late 2027. Additionally, Temple I holds 125,000 MMBtu/d of interruptible transport with Atmos Pipeline for delivery to Temple I, which terminates upon cancellation by the parties.

Unless otherwise mentioned, under all firm transportation contracts, we pay reservation fees, regardless of usage, to hold transportation rights of the contracted volume on these pipelines for the duration of the contract. Our minimum aggregate required payments per year under firm gathering and transportation agreements are approximately $16.5 million for 2022, $58.0 million for 2023, $42.1 million for 2024, $22.3 million for 2025, $20.5 million for 2026 and $82.5 million for 2027 and beyond. The utilization and economic optimization of the upstream business units' firm transportation contracts are currently managed by Concord Energy, LLC, who acts as the marketing agent for all our upstream marketed volumes. We believe that all NEPA, Barnett and Temple I transport contracts are at competitive rates.

Competition

The oil and gas industry is very competitive, and we compete with a substantial number of other companies, many of which are large, well-established and have greater financial and operational resources than we do. We compete with several other onshore unconventional natural gas producers to deliver our products to the marketplace, some of which include TotalEnergies and Lime Rock Resources (operating in the Barnett), Chesapeake Energy Corporation, Repsol USA, Coterra Energy Inc. and Southwestern Energy Company (operating in NEPA), among others.

Some of our competitors not only engage in the acquisition, exploration, development and production of oil and gas reserves and electricity generation, but also carry-on refining operations and the marketing of refined products. In addition, the oil and gas industry in general competes with other industries supplying energy and fuel to industrial, commercial and individual consumers, including alternative energy sources. Competition is particularly intense in the acquisition of prospective oil and gas properties. We may incur higher costs or be unable to acquire and develop desirable properties at costs we consider reasonable because of this competition. We also compete with other oil and gas companies to secure drilling rigs, frac fleets, sand and other equipment and materials necessary for the drilling and completion of wells and in the recruiting and retaining of qualified personnel. Such materials, equipment and labor may be in short supply from time to time. Shortages of equipment, labor or materials may result in increased costs or the inability to obtain such resources as needed. Many of our larger competitors may have a competitive advantage when responding to commodity price volatility and overall industry cycles. Further, the current inflation may affect us more than it may affect some of our larger competitors.

Environmental, Health, Safety and Climate Change Considerations

We understand the impact climate change has on our community, the world and future generations, which is why addressing these impacts in how energy is produced is a top priority. In particular, it is one of our core values, “Be One BKV,” to create a unified team with a shared vision to achieve our ESG goals.

We have established a Working Team consisting of a cross-functional group of BKV leaders who specialize in ESG strategy that meets periodically to identify, assess and implement critical ESG program initiatives. In addition, we have a Risk Management Committee that includes representatives from our operations, legal, finance, investor relations, information technology, marketing and environmental compliance teams and meets periodically to review potential ESG and other risks, tracks how these risks may be changing and ensures they are being properly managed. Our executive short-term incentive plan is tied to ESG-related initiatives, such as operational safety goals, social goals related to employee engagement and the establishment and implementation of our ESG program. In 2021, we achieved our operational safety goals by having zero major incidents (such as well control issues or explosions), having zero regulatory reportable violations and having zero reportable incidents or injuries. In 2021, we achieved our social goals relating to employee engagement with greater than 80% employee participation in our employee engagement survey, which led to the identification of areas for improvement, including career development and recognition and feedback. And, we exceeded our ESG program goals by establishing our baseline score for transparent quantification of BKV’s emission inventory and developing and executing initial steps toward emission reduction. The baseline ESG impact will be utilized to measure our emission reduction goals in the future. In connection with our emissions reduction goals, we have established our baseline emissions inventory and are deploying our emissions monitoring ecosystem and executing our “Pad of the Future” and other emissions reduction programs. For example, we plan to utilize the upstream operations emissions baseline completed in 2021, and which was updated in connection with the Exxon Barnett Acquisition, to refine and measure our emission reductions goals, which include year-over-year step-down reductions through 2025. Additionally, we have completed emission reducing conversions on approximately 2,000 of the approximately 6,000 wells we plan to include in our “Pad of the Future” program by the end of 2025.

We also have established robust Environmental, Health, Safety and Regulatory (“EHSR”) goals with proven results. At the management level, our EHSR programs are overseen directly by our Chief Executive Officer and Chief Operating Officer. Our Director of EHSR reports to our Chief Operating Officer, providing direct access to executive management and decision-making with respect to our top priority focus of EHSR performance. Our safety performance ranks high in comparison to our peers, and we have achieved a Total Recordable Incident Rate (TRIR) of zero in 2019 through 2021, which includes both our employees and our contractors. In the past three years, our employees have driven a total average of nearly 3,000,000 miles per year, during which time we have had zero at-fault driving incidents. Regarding our environmental and safety performance, we have received zero notices of violation in 2020, 2021 and 2022 through the date of this prospectus that have carried a penalty. We have established a four-tiered emissions monitoring ecosystem through which we monitor our wells and facilities via satellite, fixed wing aircraft, continuous perimeter sensors (largely through our Project Canary partnership), and handheld Forward Looking Infrared (FLIR) cameras. We will self-audit our environmental management system in the third quarter of 2022 for alignment to ISO 14001 (a set of environmental management standards). We have certified

100% of our production in NEPA with Project Canary TrustWell and achieved a Gold rating for all wells; a strong rating that will enable us to sell RSG. As of September 2022, we have received TrustWell certification for 168 wells on 64 pads and have achieved Gold rating for these wells. We expect to continue the TrustWell certification process throughout our Barnett assets in the coming years.

As a top 20 gas-weighted natural gas producer in the U.S. market, we believe we have a significant opportunity to reduce our environmental footprint by reducing GHG emissions through a series of strategic projects and technological commitments, and by offsetting remaining operational emissions. We have set a goal of reaching net-zero emissions across Scopes 1 and 2 by the end of 2025. To address our Scope 1 and 2 emissions between 2021 and 2022, we are investing approximately $8.8 million in 2022 to reduce emissions from our operations. These investments will allow us to prototype and deploy electrified components into the production processes, convert pneumatic gas instruments, enhance measurement technology, remove redundant equipment and develop and draw on renewable energy sources, among other operational improvements. For our Scope 3 profile, we aspire to offset 100% of our combined Scope 1, 2 and 3 emissions from our owned and operated upstream businesses by the early 2030s. We believe we have a path to these net-zero goals through the expansion of our carbon negative businesses, such as significant expansion of our CCUS activities and our ongoing BKV dCarbon Ventures efforts. We believe we can achieve this goal if certain of the ten identified potential CCUS projects in our project pipeline are completed upon terms that we believe are obtainable. In addition to these identified projects, we expect to continuously identify and evaluate additional CCUS projects.

Our CCUS business and all of our CCUS projects are in the early stages of development and while we have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, we have not reached FID or executed any definitive agreements with respect to the other ten potential projects we have identified above and may not be able to reach agreement on terms acceptable to us, or to achieve our projected timeline for commercial operations. In addition, the development of our CCUS business is expected to require material capital investments, and the commercial viability of our CCUS projects depends, in part, on certain financial and tax incentives provided by the U.S. federal government. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits, the details of which have not yet been released and are to be included in future guidance. For more information on our CCUS business, see "*— Overview — Our Operations — Carbon Capture, Utilization and Sequestration" and "— Our Operations — Carbon Capture, Utilization and Sequestration*." For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business*." Another way we are enabling CO_2 emission reduction from our operations is by increasing our production of RSG. We received Project Canary's TrustWell environmental assessment Gold rating in 2021 across our entire Marcellus Shale (NEPA) operations, earning the highest score achieved for wells taken over by a new operator.

Human Capital Resources

As of December 31, 2021, we had a total of 219 employees. As of July 1, 2022, we had a total of 356 employees, which includes employees added following the completion of the Exxon Barnett Acquisition. We hire independent contractors on an as needed basis. We believe we have good relations with our employees. We and our employees are not subject to any collective bargaining agreements.

Safety. Safety is our highest priority, including the prevention of any releases from our operations. We conduct routine maintenance and inspections at our facilities, and we have established practices and operational infrastructure to control and mitigate potential spills or discharges. We also offer annual specialized training to staff on spill prevention and host routine Response Tabletop Sessions to ensure our teams are fully trained on our response plan in the event of any releases. We believe these measures continue to strengthen our process safety culture.

Compensation and Benefits. We recognize that our employees are our most valuable resource and that we must provide competitive compensation to ensure we attract and retain top talent. As part of our commitment to these efforts, we underwent a third-party evaluation to confirm our compensation was both competitive and reflective of the work our employees were performing. In 2021, we assessed our existing compensation strategy and have begun working towards standardizing salary ranges. We have implemented

a compensation framework that strives to pay employees fairly and consistently based on their skills, experience and performance and that we believe is competitive compared to other companies in our industry.

To foster the health and well-being of our employees and their families, we offer all of our full- and part-time employees access to financial, health and wellness programs. We also offer a matched 401(k) plan, short-term and long-term incentive plans, medical insurance coverage, parental leave, and paid time off for holidays, personal days and vacation.

Diversity and Inclusion. We strongly believe that a diverse workforce fosters new ideas and makes us stronger as a company. Providing a safe, inclusive working environment for our employees and contractors is among our top priorities. Our executive leaders are committed sponsors and supporters of programs that foster an increase in diverse demographic representation, nurture the careers of underrepresented groups and create a greater sense of inclusion and belonging.

In 2021, we implemented a new code of business conduct, updating our employee policies and completing an employee handbook refresh. Among the policies that were updated was our whistleblower policy. In conjunction with the update of the whistleblower policy, we launched our confidential ethics and compliance hotline (in addition to our online submission portal).

In 2022, we implemented a comprehensive manager and employee online training program across the Company that includes topics such as business ethics, human rights and diversity, equity and inclusion and that will be tracked to ensure participation.

We are also prioritizing the formal buildout of employee resource groups to create more opportunity for colleagues and peers to connect with others facing similar situations or challenges.

Human Rights. Providing a safe, inclusive working environment for our employees and contractors is a priority. We do not tolerate discrimination or harassment of any kind. We also have a Human Rights Policy that applies to all of our employees and is aligned with the UN Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We continue to monitor the effectiveness of our human rights policy with the goal of growing and aligning our business to the dynamic rights of our workforce. Our Human Rights Policy extends to all our operations, as well as partners and suppliers, including security providers.

Recruitment, Retention and Development. We provide equal opportunity for all employees and consultants regardless of race, religion, gender, sexual orientation, age, ethnic or national origin, social origin, disability, family status or any other protected status and personal characteristics for all aspects of employment. This applies to recruitment and talent attraction, training and professional development opportunities, promotions and all employee benefits. Additionally, we prioritize local hiring for both employees and contractors, particularly in areas of field operations, to support employment opportunities in our local communities.

Government Regulation and Environmental Matters

Our operations are subject to extensive federal, state and local laws and regulations that govern oil and natural gas operations, regulate the discharge of materials into the environment or otherwise relate to the protection of the environment. These laws, rules and regulations may, among other things:

- require the acquisition of various permits before drilling commences;
- require notice to stakeholders of proposed and ongoing operations;
- require the installation of expensive pollution control equipment;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and gas drilling and production and saltwater disposal activities;
- limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas, or otherwise restrict or prohibit activities that could impact the environment, including water resources; and

- require remedial measures to mitigate pollution from former and ongoing operations, such as requirements to plug and abandon wells.

Numerous governmental departments issue rules and regulations to implement and enforce such laws that are often difficult and costly to comply with and which carry substantial administrative, civil and even criminal penalties, as well as the issuance of injunctions limiting or prohibiting our activities for failure to comply. Violations and liabilities with respect to these laws and regulations could also result in remedial clean-ups, natural resource damages, permit modifications or revocations, operational interruptions or shutdowns and other liabilities. The costs of remedying such conditions may be significant, and remediation obligations could adversely affect our financial condition, results of operations and cash flows. In certain instances, citizens or citizen groups also have the ability to bring legal proceedings against us if we are not in compliance with environmental laws or to challenge our ability to receive environmental permits that we need to operate. Some laws, rules and regulations relating to protection of the environment may, in certain circumstances, impose "strict liability" for environmental contamination, rendering a person liable for environmental and natural resource damages and cleanup costs without regard to negligence or fault on the part of such person. Other laws, rules and regulations may restrict the rate of oil and gas production below the rate that would otherwise exist or even prohibit exploration or production activities in sensitive areas. In addition, state laws often require some form of remedial action to prevent pollution from former operations, such as plugging of abandoned wells. As of September 30, 2022, we have recorded asset retirement obligations of $212.2 million attributable to these activities. The regulatory burden on the oil and gas industry increases its cost of doing business and consequently affects its profitability. These laws, rules and regulations affect our operations, as well as the oil and gas exploration and production industry in general.

We believe that we are in material compliance with current applicable environmental laws, rules and regulations and that continued compliance with existing requirements will not have a material impact on our financial condition, results of operations or cash flows. Nevertheless, changes in existing environmental laws or regulations or the adoption of new environmental laws or regulations, including any significant limitation on the use of hydraulic fracturing, could have the potential to adversely affect our financial condition, results of operations and cash flows. Federal, state or local administrative decisions, developments in the federal or state court systems or other governmental or judicial actions may influence the interpretation or enforcement of environmental laws and regulations and may thereby increase compliance costs. Environmental regulations have historically become more stringent over time, and thus, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation.

The following is a summary of the significant environmental laws to which our business operations are subject.

CERCLA. The Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, is also known as the "Superfund" law. CERCLA and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on parties that are considered to have contributed to the release of a "hazardous substance" into the environment. These persons include the current or former owner or operator of the site where the release occurred and anyone who disposed or arranged for the disposal of a hazardous substance released at the site. Such "responsible parties" may be subject to joint and several liability under CERCLA for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources. It is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. We currently own or lease properties that have been used for the exploration and production of natural gas, NGLs and oil for a number of years. Although operating and disposal practices that were standard in the industry at the time may have been utilized, it is possible that hydrocarbons or other wastes may have been disposed of or released on or under the properties currently owned or leased by us. Many of these properties have been operated by third parties whose treatment or release of hydrocarbons or other wastes was not under our control. These properties, and any wastes that may have been released on them, may be subject to CERCLA, and we could potentially be required to investigate and remediate such properties, including soil or groundwater contamination by prior owners or operators, or to perform remedial plugging or pit closure operations to prevent future contamination. States also have environmental cleanup laws analogous to CERCLA, including Texas.

RCRA. The Resource Conservation and Recovery Act, or RCRA, and comparable state statutes regulate the generation, transportation, treatment, storage, disposal and cleanup of hazardous and non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all of the provisions of RCRA. While there is currently an exclusion from RCRA for drilling fluids, produced waters and most of the other wastes associated with the exploration and production of oil or gas, it is possible that some of these wastes could be classified as hazardous waste in the future and therefore be subject to more stringent regulation under RCRA. For example, in December 2016, the EPA and certain environmental organizations entered into a consent decree to address the EPA's alleged failure to timely assess its RCRA Subtitle D criteria regulations exempting certain exploration and production-related oil and gas wastes from regulation as hazardous wastes under RCRA. The consent decree required the EPA to propose a rulemaking no later than March 15, 2019, for revision of certain Subtitle D criteria regulations pertaining to oil and gas wastes or to sign a determination that revision of the regulations is not necessary; the EPA ultimately determined that a revision was not necessary. Also, in the course of our operations, we generate some amounts of ordinary industrial wastes that may be regulated as hazardous wastes if such wastes have hazardous characteristics.

Oil Pollution Act. The Oil Pollution Act of 1990, or the OPA, contains numerous restrictions relating to the prevention of and response to oil spills into waters of the United States. The term "waters of the United States" has been interpreted broadly to include inland water bodies, including wetlands and intermittent streams. The OPA imposes certain duties and liabilities on certain "responsible parties" related to the prevention of oil spills and damages resulting from such spills in or threatening waters of the United States or adjoining shorelines. For example, operators of certain oil and gas facilities must develop, implement and maintain facility response plans, conduct annual spill training for certain employees and provide varying degrees of financial assurance. Owners or operators of a facility, vessel or pipeline that is a source of an oil discharge or that poses the substantial threat of discharge is one type of "responsible party" who is liable. The OPA subjects owners of facilities to strict, joint and several liability for all containment and cleanup costs, and certain other damages arising from a spill. As such, a violation of the OPA has the potential to adversely affect our business, financial condition, results of operations and cash flows.

Clean Water Act. The Clean Water Act and implementing regulations, which are primarily executed through a system of permits, also govern the discharge of certain pollutants into waters of the United States. Enforcement for failure to comply strictly with the Clean Water Act are generally resolved by payment of fines and correction of any identified deficiencies. However, regulatory agencies could require us to cease construction or operation of certain facilities or to cease hauling wastewaters to facilities owned by others that are the source of water discharges to resolve non-compliance. The Clean Water Act also requires the preparation and implementation of Spill Prevention, Control and Countermeasure Plans in connection with on-site storage of significant quantities of oil. In 2016, the EPA finalized new wastewater pretreatment standards that would prohibit onshore unconventional oil and gas extraction facilities from sending wastewater to publicly-owned treatment works. This restriction of disposal options for hydraulic fracturing waste may result in increased costs. In addition, state laws analogous to the Clean Water Act also may require permits for certain of our operations.

Safe Drinking Water Act. The SDWA and comparable local and state provisions restrict the disposal, treatment or release of water produced or used during oil and gas development. Subsurface emplacement of fluids (including oil and gas wastewater disposal wells or enhanced oil recovery) is governed by U.S. federal or state regulatory authorities that, in some cases, includes the state oil and gas regulatory authority or the state's environmental authority. The SDWA's Underground Injection Well Program requires that we obtain permits from the EPA or delegated state agencies for our disposal wells, establishes minimum standards for injection well operations, restricts the types and quantities of fluids that may be injected and prohibits the migration of fluid containing any contaminants into underground sources of drinking water. Any leakage from the subsurface portions of the injection wells may cause degradation of freshwater, potentially resulting in cancellation of operations of a well, imposition of fines and penalties from governmental agencies, incurrence of expenditures for remediation of affected resources, and imposition of liability by landowners or other parties claiming damages for alternative water supplies, property damages, and personal injuries. In addition, in some instances, the operation of underground injection wells has been alleged to cause earthquakes (induced seismicity) as a result of flawed well design or operation. This has resulted in stricter regulatory requirements in some jurisdictions relating to the location and operation of underground

injection wells, and regulators in some states have imposed or are seeking to impose additional requirements, including requirements regarding the permitting of produced water disposal wells or otherwise, to assess the relationship between seismicity and the use of such wells. The adoption of federal, state and local legislation and regulations intended to address induced seismic activity in the areas in which we operate could restrict our drilling and production activities, as well as our ability to dispose of produced water gathered from such activities, which could result in increased costs and additional operating restrictions or delays.

We engage third parties to provide hydraulic fracturing or other well stimulation services to us in connection with the wells in which we act as operator. Hydraulic fracturing is an important and commonly used process in the completion of oil and gas wells, particularly in unconventional plays, and is generally exempted from federal regulation as underground injection (unless diesel is a component of the fracturing fluid) under the SDWA. Concerns have been raised that hydraulic fracturing activities, separate and apart from use of injection wells, may be correlated to induced seismicity. In addition, EPA conducted a comprehensive study of the potential adverse impacts of hydraulic fracturing on drinking water and ground water and released its final report on this study in December 2016. The report found that hydraulic fracturing activities can impact drinking water resources under some circumstances, including large volume spills and inadequate mechanical integrity of wells. This study and other studies that may be undertaken by the EPA or other federal agencies could spur initiatives to further regulate hydraulic fracturing under the SDWA, the Toxic Substances Control Act, or other statutory and/or regulatory mechanisms, which could lead to operational delays, increased operating and compliance costs and additional regulatory burdens that could make it more difficult or commercially impracticable for us to perform hydraulic fracturing. Such costs and burdens could delay the development of unconventional gas resources from shale formations, which are not commercially feasible without the use of hydraulic fracturing.

Chemical Disclosures Related to Hydraulic Fracturing. A number of states, including Texas, have implemented chemical disclosure requirements for hydraulic fracturing operations. We currently disclose all hydraulic fracturing additives we use on www.FracFocus.org, a website created by the Ground Water Protection Council and Interstate Oil and Gas Compact Commission.

Prohibitions and Other Regulatory Limitations on Hydraulic Fracturing. There have been a variety of regulatory initiatives at the state level to restrict oil and gas drilling operations in certain locations.

In addition to chemical disclosure rules, some states have implemented permitting, well construction or water withdrawal regulations that may increase the costs of hydraulic fracturing operations. For example, Texas has water withdrawal restrictions allowing suspension of withdrawal rights in times of shortages while other states require reporting on the amount of water used and its source.

Increased regulation of and attention given by environmental interest groups, as well as state and federal regulatory authorities, to the hydraulic fracturing process could lead to greater opposition to oil and gas production activities using hydraulic fracturing techniques. Additional legislation or regulation could also lead to operational delays or increased operating costs in the production of oil and gas, including from developing shale plays, or could make it more difficult to perform hydraulic fracturing. These developments could also lead to litigation challenging proposed or existing wells. The adoption of federal, state or local laws or the implementation of regulations regarding hydraulic fracturing that are more stringent could cause a decrease in the completion of new oil and gas wells, as well as increased compliance costs and time, which could adversely affect our financial position, results of operations and cash flows. We use hydraulic fracturing extensively and any increased federal, state, or local regulation of hydraulic fracturing could reduce the volumes of oil and gas that we can economically recover.

Clean Air Act. Our operations are subject to the Clean Air Act, or the CAA, and comparable state and local requirements to control emissions from sources of air pollution. Federal and state laws require new and modified sources of air pollutants to obtain permits prior to commencing construction. Major sources of air pollutants are subject to more stringent, federally imposed requirements including additional permitting requirements. Federal and state laws designed to control toxic air pollutants and GHGs might require installation of additional controls. Payment of fines and correction of any identified deficiencies generally resolve any failures to comply strictly with air regulations or permits. However, in the event of non-compliance, regulatory agencies could also require us to cease construction or operation of certain

facilities or to install additional controls on certain facilities that are air emission sources. Further, stricter requirements could negatively impact our production and operations.

In 2012, the EPA published final New Source Performance Standards, or NSPS, and National Emission Standards for Hazardous Air Pollutants, or NESHAPS, that amended the existing NSPS and NESHAP for the oil and natural gas sector. In June 2016, the EPA published a final rule that updated and expanded the NSPS by setting additional emissions limits for volatile organic compounds and regulating methane emissions for new and modified sources in the oil and gas industry. In June 2017, the EPA proposed a two-year stay of certain requirements contained in the June 2016 rule. In March 2018, the EPA published a final rule that amended two narrow provisions of the NSPS, removing the requirement for completion of delayed repair during emergency or unscheduled vent blowdowns. In September 2020, the EPA published a final rule amending the 2012 and 2016 NSPS for the oil and natural gas sector that removed transmission and storage sources from the oil and natural gas industry source category and rescinded the methane requirements applicable to the production and processing sources. On June 30, 2021, President Biden signed into law a joint Congressional resolution under the Congressional Review Act nullifying the September 2020 rule amending the EPA's 2012 and 2016 NSPS standards for the oil and natural gas sector and effectively reinstating the prior standards. On November 15, 2021, the EPA proposed rules to reduce methane emissions from both new and existing oil and natural gas industry sources ("2021 Proposed Methane Rules"). On November 11, 2022, the EPA issued a supplemental proposal to update, strengthen and expand the 2021 Proposed Methane Rules that would make the proposed requirements more stringent and include sources not previously regulated under the oil and gas source category. The EPA has announced that it plans to finalize these rulemakings in 2023. The reinstatement of direct regulation of methane emission for new sources, promulgation of requirements for existing oil and gas sources and enhanced requirements for new sources, and the expansion of sources covered by the EPA's rules, could result in increased compliance costs or otherwise impact our results of operations. For additional information, see "*Risk Factors — Risks Related to Environmental, Legal Compliance and Regulatory Matters-Our operations are subject to a series of risks relating to climate change that could result in increased compliance or operating costs, limit the areas in which we may conduct natural gas exploration and NGL exploration and production activities, and reduce demand for the natural gas and NGLs we produce.*"

In October 2015, the EPA revised the existing National Ambient Air Quality Standards for ground level ozone to make the standard more stringent. The EPA finished promulgating final area designations under the new standard in 2018, which, to the extent areas in which we operate have been classified as non-attainment, may result in an increase in costs for emission controls and requirements for additional monitoring and testing, as well as a more cumbersome permitting process. Generally, it will take the states several years to develop compliance plans for their non-attainment areas. While we are not able to determine the extent to which this new standard will impact our business at this time, it has the potential to have a material impact on our operations and cost structure.

In June 2016, the EPA finalized a rule "aggregating" individual wells and other facilities and their collective emissions for purposes of determining whether major source permitting requirements apply under the CAA. These changes may introduce uncertainty into the permitting process and could require more lengthy and costly permitting processes and more expensive emission controls.

Collectively, these rules and proposed rules, as well as any future laws and their implementing regulations, may require a number of modifications to our operations. We may, for example, be required to install new equipment to control emissions from our well sites or compressors at initial startup or by the applicable compliance deadline. We may also be required to obtain pre-approval for the expansion or modification of existing facilities or the construction of new facilities. Compliance with such rules could result in significant costs, including increased capital expenditures and operating costs, and could adversely impact our business.

Greenhouse Gas and Climate Change Laws and Regulations. Scientific studies have concluded that increasing concentrations of GHGs in the Earth's atmosphere are producing climate changes that have significant physical effects. Potential physical risks resulting from climate change may be event driven (including increased severity of extreme weather events, such as hurricanes, droughts, or floods) or longer-term shifts in climate patterns that may cause sea level rise or chronic heat waves. Potential physical risks may cause direct damage to our assets as well as indirect impacts such as supply chain disruption and also could include changes in water availability, sourcing, and quality, which could impact drilling and completion

operations. These physical risks could cause increased costs, production disruptions, lower revenues and substantially increase the cost or limit the availability of insurance. In response to studies indicating that emissions of carbon dioxide and certain other GHGs, including methane, are contributing to global climate change, there is increasing focus by local, state, regional, national and international regulatory bodies as well as by investors and the public on GHG emissions and climate change issues.

While the United States has yet to adopt comprehensive climate change legislation, the federal government has taken a series of administrative actions aimed at curtailing GHG emissions. For example, in response to 2009 findings that emissions of CO_2, methane and other GHGs present an endangerment to public health and the environment, the EPA issued regulations to restrict emissions of GHGs under existing provisions of the CAA. These regulations include limits on tailpipe emissions from motor vehicles and preconstruction and operating permit requirements for certain large stationary sources.

In August 2015, the EPA promulgated the Clean Power Plan ("CPP") rule to limit CO_2 emissions from existing coal and natural-gas fired electric generating units. The CPP rule, which never went into effect, adopted a sector-wide, generation shifting approach and determined the best system of emissions reduction (BSER) for CO_2 at coal and natural-gas fired units included three components — heat rate improvement at existing coal-fired units, a shift in generation from coal-fired to natural-gas fired units, and a shift in generation from natural-gas fired facilities to renewables. Several industry groups and states challenged the CPP rule. On February 9, 2016, the U.S. Supreme Court stayed the implementation of the CPP rule pending judicial review. In August 2019, the EPA repealed the CPP rule and replaced it with the Affordable Clean Energy rule, or ACE rule, which adopted a narrower, source-based approach limited to designating heat rate improvement, or efficiency improvement, as the BSER for CO_2 from existing coal-fired electric generating units. The ACE rule and the repeal of the CPP rule were challenged by several states and private parties. On January 19, 2021, the D.C. Circuit vacated the ACE rule but at the EPA's request subsequently stayed issuance of the portion of the mandate that would have vacated the repeal of the CPP rule while the EPA decided whether it would promulgate a new rule instead of the CPP rule. On October 29, 2021, the U.S. Supreme Court agreed to review the D.C. Circuit's decision, and on June 30, 2022 the U.S. Supreme Court ruled that the generation-shifting approach included in the CPP rule exceeded EPA's statutory authority under the CAA. The EPA is expected to propose new rules to regulate GHG emissions from electric generating units, but whether and how such rules would affect our business is uncertain.

The EPA has issued the "Final Mandatory Reporting of Greenhouse Gases" Rule and a series of revisions to it, which requires operators of oil and gas production, natural gas processing, transmission, distribution and storage facilities and other stationary sources emitting more than established annual thresholds of carbon dioxide-equivalent GHGs to inventory and report annually their GHG emissions occurring in the prior calendar year on a facility-by-facility basis. The EPA widened the scope of annual GHG reporting to include not only activities associated with completion and workover of gas wells with hydraulic fracturing and activities associated with oil and gas production operations, but also completions and workovers of oil wells with hydraulic fracturing, gathering and boosting systems, and transmission pipelines. These rules do not require control of GHGs. However, the EPA has indicated that it will use data collected through the reporting rules to decide whether to promulgate future GHG limits. More recently, on November 15, 2021, the EPA proposed rules to reduce methane emissions from new and modified sources in the oil and gas sector ("2021 Proposed Methane Rules"). The 2021 Proposed Methane Rules proposal was supplemented by the EPA on November 11, 2022, to update, strengthen and expand the 2021 rule proposal. For more information, see "*Risk Factors — Our operations are subject to a series of risks relating to climate change that could result in increased compliance or operating costs, limit the areas in which we may conduct natural gas and NGL exploration and production activities, and reduce demand for the natural gas and NGLs we produce.*"

In certain circumstances, large sources of GHG emissions are subject to preconstruction permitting under the EPA's Prevention of Significant Deterioration program. This program historically has had minimal applicability to the oil and gas production industry. However, there can be no assurance that our operations will avoid applicability of these or similar permitting requirements, which impose costs relating to emissions control systems and the efforts needed to obtain the permit.

In April 2016, the United States signed the Paris Agreement, which requires countries to review and "represent a progression" in their intended nationally determined contributions ("NDC"), which set GHG

emission reduction goals, every five years beginning in 2020. In November 2019, the Trump Administration formally moved to exit the Paris Agreement, initiating the treaty-mandated one-year process at the end of which the United States officially exited the agreement. However, the current Presidential administration has made climate change a central priority and on January 20, 2021, his first day in office, President Biden announced its intention to rejoin the Paris Agreement. The United States officially rejoined the Paris Agreement on February 19, 2021, and in April 2021 submitted its NDC. The United States NDC sets an economy-wide target of net GHG emissions reduction from 2005 levels of 50-52% by 2030. The specific measures to be taken in furtherance of achieving this target have not been established, but the NDC submission indicated that an interagency approach will play an important role, including regulatory, technology and policy initiatives designed to reduce the generation of GHG emissions and to incentivize the capture and geologic sequestration or utilization of carbon dioxide that would otherwise be emitted in the atmosphere. Also on his first day in office, President Biden signed an executive order on climate action and reconvened an interagency working group to establish interim and final social costs of three GHGs: carbon dioxide, nitrous oxide, and methane. Carbon dioxide is released during the combustion of fossil fuels, including natural gas, NGLs and oil, and methane is a primary component of natural gas. The Biden Administration stated it will use updated social cost figures to inform federal regulations and major agency actions and to justify aggressive climate action as the United States moves toward a “100% clean energy” economy with net-zero GHG emissions.

The United States Congress has also passed a number of bills in recent years aimed at addressing climate change in a limited manner, primarily directed at funding climate change initiatives. The 2021 Infrastructure and Investment Jobs Act passed by Congress in November 2021 included measures aimed at decarbonization to address climate change, including funding for replacing transit vehicles, including buses, with zero- and low-emission vehicles and for the deployment of an electric vehicle charging network nationwide. This legislation, and other future laws, that promote a shift toward electric vehicles could adversely affect the demand for our products. Similarly, the Inflation Reduction Act, recently passed by Congress, imposed several new climate-related requirements on oil and gas operations. Moreover, in August 2022, the U.S. Congress passed, and President Biden signed into law, the Inflation Reduction Act of 2022, which appropriates significant federal funding for renewable energy initiatives and, for the first time ever, imposes a fee on GHG emissions from certain facilities. The emissions fee and funding provisions of the law could increase our operating costs and accelerate the transition away from fossil fuels, which could in turn adversely affect our business and results of operations.

In the absence of comprehensive climate change legislation at the federal level, a number of state and regional efforts have emerged. These include measures aimed at tracking and/or reducing GHG emissions through cap-and-trade programs, which typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting GHGs. In addition, a coalition of over 20 governors of U.S. states formed the United States Climate Alliance to advance the objectives of the Paris Agreement, and several U.S. cities have committed to advance the objectives of the Paris Agreement at the state or local level as well. To this end, the California governor issued an executive order on September 23, 2020 ordering actions to pursue GHG emissions reductions, including a direction to the California State Air Resources Board to develop and propose regulations to require increasing volumes of new zero-emission passenger vehicles and trucks sold in California over time, with a targeted ban of the sale of new gasoline vehicles by 2035.

If we are unable to recover or pass through a significant portion of our costs related to complying with current and future regulations relating to climate change and GHGs, it could materially affect our operations and financial condition. Any future laws or regulations that limit emissions of GHGs from our equipment and operations could require us to both develop and implement new practices aimed at reducing GHG emissions, such as emissions control technologies, which could increase our operating costs and could adversely affect demand for the oil and gas that we produce. To the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact our cost of, and access to, capital. Future implementation or adoption of legislation or regulations adopted to address climate change could also make our products more or less desirable than competing sources of energy. At this time, it is not possible to quantify the impact of any such future developments on our business.

OSHA. We are subject to the requirements of the Occupational Safety and Health Act, or OSHA, and comparable state laws that regulate the protection of the health and safety of workers. In addition, the

OSHA hazard communication standard requires maintenance of information about hazardous materials used or produced in operations, and the provision of such information to employees, state and local government authorities and citizens. Other OSHA standards regulate specific worker safety aspects of our operations.

Endangered Species Act. The ESA was established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species' habitat. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas it believes are necessary for survival of a threatened or endangered species. While some of our facilities are in areas that may be designated as a habitat for endangered species, we believe that we are in substantial compliance with the ESA. The presence of any protected species or the final designation of previously unprotected species as threatened or endangered in areas where we operate could result in increased costs from species protection measures or could result in limitations, delays, or prohibitions on our exploration and production activities that could have an adverse effect on our ability to develop and produce our reserves.

National Environmental Policy Act. Oil and gas exploration and production activities on federal lands trigger review under the National Environmental Policy Act. The National Environmental Policy Act requires federal agencies, including the U.S. Department of Interior, to evaluate major agency actions having the potential to significantly impact the environment. In the course of such evaluations, an agency will prepare an environmental assessment of the potential direct, indirect and cumulative impacts of a proposed project and, if necessary, will prepare a more detailed environmental impact statement that may be made available for public review and comment. This process has the potential to delay or even halt development of some of our oil and gas projects.

Operating Hazards and Insurance

Natural gas, NGLs and oil operations are subject to many risks, including well blowouts, craterings, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, pipe, casing or cement failures, abnormal pressure, pipeline leaks, ruptures or spills, vandalism, pollution, releases of toxic gases, adverse weather conditions or natural disasters and other environmental hazards and risks.

In accordance with what we believe to be industry practice, we maintain insurance against some, but not all, of the operating risks to which our business is exposed. We cannot provide assurance that any insurance we obtain will be adequate to cover our losses or liabilities. We have elected to self-insure for certain items for which we have determined that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event not fully covered by insurance could have a material adverse effect on our financial position, results of operations and cash flows.

The insurance policies we currently maintain, and their respective policy limits, are as follows:

- *Commercial General Liability*: $2,000,000 annual general aggregate policy limit or $1,000,00 per occurrence.
- *Property*: annual aggregate policy limits of $1,575,715 for personal property and $50,000 to $3,200,000 for certain real property.
- *Operators Extra Expense*:
  - $25,000,000 per occurrence limit for wells located in Pennsylvania *;*
  - $15,000,000 per occurrence limit for wells located in Texas;
  - $30,000,000 per occurrence additional limit for property under our care, custody or control;
  - $2,500,000 per occurrence additional limit for certain materials and supplies; and
- *Oil Lease Property*: $314,293,392 annual aggregate policy limit for physical loss and/or physical damage to certain scheduled onshore property.

- *Business and Contingent Business Interruption* : $64,240,000 annual aggregate limit per accident or occurrence, or $176,000 per day.
- *Site Pollution Incident Legal Liability*: $11,000,000 annual aggregate policy limit, with a $10,000,000 limit per incident.
- *Management Liability*:
  - $5,000,000 annual aggregate policy limit for director, officer and organizational liability, with an additional $1,000,000 of coverage for claims against certain insured persons;
  - $2,000,000 annual aggregate policy limit for employment practices liability;
  - $1,000,000 aggregate policy limit for fiduciary liability; and
  - $1,000,000 for certain crime liability.
- *Automobile Liability*: $1,000,000 aggregate policy limit.
- *Workers' Compensation*: limited to the value of the benefits required under Colorado, Montana, Oregon, Pennsylvania or Texas law, as applicable.
- *Employer's Liability*: $1,000,000 limit per accident for bodily injury by accident, and $1,000,000 aggregate policy limit for bodily injury by disease.
- *Umbrella Excess Liability*: $75,000,000 aggregate policy limit covering damages in excess of policy limits for commercial general liability, automobile liability, employee benefits liability and employer's liability.
- *Cybersecurity and Identity Fraud Liability*: $3,000,000 aggregate policy limit for cybersecurity incidents and $5,000 per victim of identity fraud.
- *Kidnap and Ransom*: $10,000,000 limit per insured event.

For more information about potential risks that could affect us, see " *Risk Factors — Risks Related to Our Business Generally — Our business is subject to operating hazards that could result in substantial losses or liabilities for which we may not have adequate insurance coverage*."

Other Facilities

Our corporate headquarters are located at 1200 17th Street, Suite 2100, Denver, Colorado 80202, and our telephone number at such address is (720) 375-9680. Our corporate headquarters are leased and our field office facilities are owned, and we believe that they are adequate for our current needs.

Title to Properties

Title to our oil and gas properties is subject to royalty, overriding royalty, carried, net profits, working, and similar interests customary in the oil and gas industry. Our properties may also be subject to liens incident to operating agreements, as well as other customary encumbrances, easements, and restrictions, and for current taxes not yet due. Our general practice is to conduct title examinations on material property acquisitions. Prior to the commencement of drilling operations, a title examination and, if necessary, curative work is performed. The methods of title examination that we have adopted are reasonable in the opinion of management and are designed to ensure that production from our properties, if obtained, will be salable by us. We believe that title to our oil and natural gas properties is good and defensible, subject only to such exceptions that we believe do not materially interfere with the use of such properties.

Legal Proceedings

From time to time, we may be subject to various claims, title matters and legal proceedings arising in the ordinary course of business, including environmental contamination claims, personal injury and property damage claims, claims related to joint interest billings and other matters under natural gas operating agreements and other contractual disputes. While the outcome and impact on the Company cannot be predicted with certainty, we believe that our ultimate liability with respect to any such matters will not have

a significant impact or material adverse effect on our financial positions, results of operations or cash flows. Our results of operations and cash flows, however, could be significantly impacted in the reporting periods in which such matters are resolved.

MANAGEMENT

Directors and Executive Officers

The following table provides information regarding the individuals who are expected to constitute our executive officers and directors upon completion of this offering. Executive officers serve at the discretion of our board of directors and until their successors are elected and qualified. Messrs. C. Vongkusolkit and S. Vongkusolkit are father and son, respectively.

Name	Age	Current Position(s) with the Company
Christopher P. Kalnin	45	Chief Executive Officer and Director
John T. Jimenez	53	Chief Financial Officer
Eric S. Jacobsen	52	Chief Operating Officer
Brid C. Kealey	59	Chief Human Resources Officer
Lindsay B. Larrick	40	Chief Legal Officer
Ethan Ngo	41	Chief Technical Services Officer
Chanin Vongkusolkit	70	Chairman of the Board
Somruedee Chaimongkol	61	Director
Joseph R. Davis	72	Director
Akaraphong Dayananda	63	Director
Carla S. Mashinski	59	Director
Thiti Mekavichai	61	Director
Charles C. Miller III	70	Director
Sunit S. Patel	60	Director
Anon Sirisaengtaksin	69	Director
Sinon Vongkusolkit	32	Director

Christopher P. Kalnin has served as Chief Executive Officer and a director of the Company since its formation in May 2020 and founded the Company in 2015. He also worked at Kalnin Ventures, the fund manager of BKV O&G, owned by Banpu (SET: BANPU), as Managing Director from June 2014 to May 2020 and Group CEO from January 2019 to May 2020. Prior to that, Mr. Kalnin served in multiple roles at Level 3 Communications, Inc. ("Level 3 Communications"), a global provider of high-capacity communications services to businesses, serving as Vice President of Strategic Business Operations and Planning from January 2014 to June 2014 and Senior Director from February 2012 to December 2013. From January 2010 to July 2011, he served as a Strategy Advisor and Chief of Staff to the Chief Executive Officer at PTT Exploration (SET: PTTEP), a petroleum exploration and production company based in Thailand. Additionally, he served as Engagement Manager at McKinsey & Company, a management consulting firm, from October 2005 to January 2010 and Senior Analyst at Credit Suisse First Boston, the investment banking division of Credit Suisse Group, from July 2000 to July 2003. Mr. Kalnin received a BA in Finance from the University of Western Ontario and an MBA from Northwestern University's Kellogg School of Management. We believe that Mr. Kalnin's extensive industry experience and demonstrated leadership capabilities throughout our growth make him qualified to serve on our board of directors.

John T. Jimenez has served as Chief Financial Officer of the Company since April 2021. Prior to joining the Company, he served as Chief Financial Officer of BP Gas and Power Trading Americas and a member of the board of directors of BP Energy Company, a subsidiary of BP (NYSE: BP), from January 2019 to April 2021. Mr. Jimenez also served as interim Chief Executive Officer and a member of the board of directors of VAKT Global Ltd, a venture established by some of the world's leading energy majors, trading houses and banks to develop a blockchain-based digital platform for post-transaction management of physical energy commodities, from January 2018 to December 2018 and Chairman of the board of directors of VAKT Holdings Ltd from January 2019 to April 2021. Prior to that, he served in various positions at various affiliates of BP, including, most recently, Vice President and Head of IST Global Finance Services from January 2016 to December 2017, Transformation Director from March 2014 to December 2015, Chief

of Staff and Vice President of HR Strategy and Planning from May 2012 to March 2014 and Finance Director — Group HR from January 2006 to April 2012. In addition, he has held various leadership roles in international business environments, ranging from start-up operations to corporate head offices, in the US, UK, Mexico, Poland, Bulgaria and India. He has led a range of commercial activities, including large scale transformations, systems implementations, business turnarounds, business start-ups, analytics, strategy and business development. Mr. Jimenez received a BA in Accounting from Saint Mary's University of Minnesota and an MBA from Northwestern University's Kellogg School of Management.

Eric S. Jacobsen has served as Chief Operating Officer of the Company since its formation in May 2020. He also served as Chief Operating Officer of Kalnin Ventures from February 2020 to May 2020. Prior to that, he served as Senior Vice President of Extraction Oil & Gas, Inc. (previously NASDAQ: XOG), an independent oil and gas company focused on the acquisition, development and production of oil, natural gas and NGL reserves, from October 2016 to December 2019 and Director of Planning and Development, Director of Exploration and Production and Well Engineering Manager of Noble Energy, Inc. (previously NASDAQ: NBL), an independent energy company engaged in worldwide crude oil and natural gas exploration and production, where he led large-scale shale development efforts of the DJ Basin in Colorado, from January 2011 to October 2016. From June 1993 to January 2011, Mr. Jacobsen worked at BP (NYSE: BP) and its heritage companies, Atlantic Richfield Company and Vastar Resources, Inc., in Montana, Texas, Louisiana, Gulf of Mexico, Algeria, Azerbaijan and other locations and in various positions, including Operations Manager, Offshore Installation Manager and Reservoir Engineer. Mr. Jacobsen received a BS in Environmental Engineering and an MS in Petroleum Engineering from Montana Tech University.

Brid C. Kealey has served as Chief Human Resources Officer of the Company since February 2021. Prior to joining the Company, she co-founded and served as Senior Partner of Vector Human Capital Services, a provider of human resources strategy and operational services, from January 2012 to January 2021. In addition, Ms. Kealey served as Chief Human Resources Officer and Vice President, PEO Services of MedSynergies, a provider of business services to Physician Networks, from November 2010 to December 2012 and Chief Learning Officer of Atmos Energy Corporation (NYSE: ATO), a gas utilities company, from March 2009 to May 2010. Previously, she held global human resources leadership roles at Google Inc. (now Alphabet Inc. (NASDAQ: GOOGL, GOOG)) from June 2007 to July 2008, Nokia Corporation (NYSE: NOK) from March 2000 to June 2007 and PepsiCo, Inc. (now NASDAQ: PEP) from 1995 to 2000. Ms. Kealey received a Bachelor of Laws from Trinity College Dublin and a Masters in Business Studies from University College Dublin Michael Smurfit Graduate Business School.

Lindsay B. Larrick has served as Chief Legal Officer of the Company since July 2022 and as Vice President, General Counsel and Corporate Secretary of the Company since its formation in May 2020. She also served as Vice President and General Counsel of Kalnin Ventures from October 2018 to May 2020. Prior to that, she was a partner at national law firms Fox Rothschild LLP from July 2016 to October 2018 and Lathrop & Gage LLP from January 2007 to July 2016. During her time at such law firms, she specialized in the energy practice, served in various management positions, including Chair of the Energy Practice Group for both firms, and gained experience in structuring private equity funds and mergers, acquisitions and divestitures in the oil and gas industry. Ms. Larrick received a BS in Business Administration and a JD from the University of Denver.

Ethan Ngo has served as Chief Technical Services Officer of the Company since July 2022 and, prior to that, as Senior Vice President, Engineering of the Company since its formation in May 2020. He served at Kalnin Ventures as Senior Vice President, Engineering since December 2017 and Vice President, Engineering from March 2015 to December 2017. Prior to that, Mr. Ngo served as A&D Reservoir Engineer of Fidelity Exploration and Production Company, which is involved in the acquisition, exploration, development and production of natural gas and oil resources, from July 2014 to March 2015, Reservoir Engineer of Liberty Resources LLC, a Denver-based private equity backed oil and gas company, from April 2013 to June 2014 and Reservoir Engineer of Newfield Exploration Company (previously NYSE: NFX), an independent energy company, from April 2011 to April 2013. He also served as Senior Reservoir Engineer of ExxonMobil Production Company from February 2008 to March 2011. Mr. Ngo received a BS in Civil Engineering, an MS in International Political Economy and an ME in Petroleum Engineering from the Colorado School of Mines. Mr. Ngo also received an MBA from the University of Colorado, Denver.

Chanin Vongkusolkit has served as Chairman of the Board of the Company since May 2020. He founded Banpu (SET: BANPU) in 1983 and has served as its Chairman of the Board since April 2016. His other positions at Banpu include director and Senior Executive Officer from 2015 to 2016 and director and Chief Executive Officer from 1983 to 2015. In addition, Mr. Vongkusolkit has served as a director of The Erawan Group Public Company Limited (SET: ERW), a hotel investor, developer and operator, since November 2004, and Chairman of its board of directors since April 2018. He has also served as a director of Mitr Phol Sugar Corp., Ltd., a sugar and bio-energy producer, since 1983 and various subsidiaries of Banpu, including Banpu Power (SET: BPP). Additionally, Mr. Vongkusolkit serves as Chairman of the Thai Listed Companies Association and an advisor at the Thammasat Economics Association. He previously served as a Commissioner at the Securities and Exchange Commission of Thailand from 2016 to 2018 and a director of Ratchaburi Electricity Generating Holding Public Company Limited, an independent power producer, from November 2003 to March 2011. Mr. Vongkusolkit received a Bachelor in Economics from Thammasat University and an MBA in Finance from St. Louis University. Mr. Vongkusolkit brings broad expertise in corporate development and leadership to the board of directors. In addition, we believe that Mr. Vongkusolkit's extensive experience with international energy companies makes him qualified to serve on our board of directors.

Somruedee Chaimongkol has served as a director of the Company since May 2020. She has served as a director and Chief Executive Officer of Banpu (SET: BANPU) since May 2015 and a director of BNAC since February 2015. Prior to that, she worked at Banpu as Chief Financial Officer from 2006 to 2015 and Senior Vice President of Finance from 2001 to 2006. In addition, Ms. Chaimongkol has served as a director of various subsidiaries of Banpu, including Banpu Power (SET: BPP). She has also served as a commissioner of PT. Indo Tambangraya Megah Tbk (IDX: ITMG), an Indonesian coal supplier, since March 2022, and served as a director of Biofuel Development Holdings Co., Ltd., from November 2010 to December 2018. Ms. Chaimongkol received a Bachelor's degree in Accounting from Bangkok University. Ms. Chaimongkol brings broad expertise in corporate leadership and financial matters to the board of directors. In addition, we believe that Ms. Chaimongkol's extensive experience as an executive and director at international energy companies makes her qualified to serve on our board of directors.

Joseph R. Davis has served as a director of the Company since May 2020. He has served as a director of Reconnaissance Energy Africa Ltd. d/b/a ReconAfrica (TSXV: RECO), a Canadian oil and gas company engaged in the exploration and development of oil and gas in Mexico, Namibia and Botswana, since January 2022. In 2014, Mr. Davis began working with our Chief Executive Officer, Chris Kalnin, as a consultant, and upon the formation of BKV O&G in June 2015, he assumed the role of Vice President of Geosciences with Kalnin Ventures. He was later promoted to Senior Vice President of Kalnin Ventures, and in January 2019, he became Chief Operating Officer and served in that position until his retirement in March 2020. In addition, he served as Exploration Advisor for Digital Prospectors, LLC, an exploration consulting firm, from May 2009 to May 2015 and Vice President of Hyperion Oil Iraq, L.L.C., an international oil and gas exploration company involved in Iraq and Latin America, from August 2006 to May 2009. From 1992 to 2006, he had a consulting business specializing in evaluation of oil and gas exploration projects. Mr. Davis received an AB in Earth Science from Dartmouth College, an MS in Geology from Southern Methodist University and a PhD in Geology from the University of Texas at Austin. Mr. Davis brings broad expertise in strategic planning and operations. In addition, we believe that Mr. Davis's upstream industry experience and executive experience make him qualified to serve on our board of directors.

Akaraphong Dayananda has served as a director of the Company since May 2020. He has served as a director and President of BNAC since February 2015. Prior to that, Mr. Dayananda served in various positions at Banpu (SET: BANPU) and Banpu Power (SET: BPP), including a director of Banpu Power from July 2009 to December 2017, Chief Strategy Officer — Head of Strategy and Business Development of Banpu from 2011 to 2019, Senior Vice President — Head of Strategy and Business Development of Banpu from 2006 to 2011, Senior Vice President — Head of Corporate Strategic Planning of Banpu from 1999 to 2006 and Senior Vice President — Finance of Banpu Power from 1997 to 1999. Prior to that, he gained expertise in the financial service sector while serving as Managing Director of Peregrine Nithi Finance and Securities Company Limited from 1995 to 1997 and in various positions at Thai Investment and Securities Plc from 1984 to 1995, including most recently Senior Vice President of Corporate Lending and Marketing. Mr. Dayananda has also served as a director of various subsidiaries of Banpu, both internationally and domestically throughout his career. Mr. Dayananda received a BS in Engineering from Chulalongkorn

University and an MBA from Bowling Green State University. He also received certificates in various management and directorship programs, such as the Executive Program in Strategy and Organization from Stanford University and the Director Certificate Program from the Thai Institute of Directors. Mr. Dayananda brings broad expertise in strategic planning, business development and risk management to the board of directors. In addition, we believe that Mr. Dayananda's extensive experience as an executive and director and financial and investment experience make him qualified to serve on our board of directors.

Carla S. Mashinski has served as a director of the Company since September 1, 2022. Since 2019, she has served on the board of directors of Primoris Services Corporation (NASDAQ: PRIM), a specialty construction and infrastructure company in the United States, and has served as chair of its audit committee and a member of its compensation committee since 2021. Ms. Mashinski served as Chief Financial Officer of Cameron LNG, a liquefied natural gas terminal near the Gulf of Mexico, from 2015 to 2017, then was promoted to Chief Financial Officer and Administrative Officer and served in this role until her retirement in May 2022. Prior to that, she served as Chief Financial Officer and Vice President, Finance and Information Management, North American Operations, of Sasol Ltd. (JSE: SOL), an integrated energy and chemical company based in South Africa, from 2014 to 2015, Vice President, Finance and Administration and U.S. Chief Financial Officer of SBM Offshore (AMX: SBMO), a Dutch-based global group of companies servicing the offshore oil and gas industry, from 2008 to 2014 and Vice President, Accounting and Chief Accounting Officer/Controller of GulfMark Offshore, Inc., a global provider of marine transportation services, from 2004 to 2008. Her previous board experience includes serving as a director, and a member of the audit, compensation and nominating committees, of Carbo Ceramics Inc., a technology and services company servicing the oil and gas industry, from 2019 to 2020 and a director, and chair of the compensation committee and member of the audit committee, of Unit Corporation (OTC: UNTC), a diversified energy company, from 2015 to 2020. Ms. Mashinski received a BS in Accounting with high honors from the University of Tennessee at Knoxville and an Executive MBA from the University of Texas at Dallas. She is a Certified Public Accountant in the State of Texas, Certified Management Accountant and Project Management Professional. Ms. Mashinski brings broad experience in financial and accounting matters and corporate governance to the board of directors. In addition, we believe that Ms. Mashinski's financial and accounting experience, U.S. public company board experience and upstream industry experience make her qualified to serve on our board of directors.

Thiti Mekavichai has served as a director of the Company since May 2020. He has served as a director and Chief Executive Officer of BNAC since January 2019 and Head of Oil and Gas Business of Banpu (SET: BANPU) since November 2018. Prior to that, Mr. Mekavichai served as Executive Vice President of Human Resources and Business Services of PTT Exploration (SET: PTTEP) from October 2011 to September 2018 and Executive Vice President of Human Resources of Central Retail Corporation, Thailand's leading multi-format and multi-category retailing platform, from June 2008 to October 2011. From December 1992 to June 2008, he held various technical and human resources positions at subsidiaries of Shell plc (NYSE: SHEL), in both the upstream and downstream industries, and served as a director of Shell Company of Thailand Limited from February 2004 to May 2008. He also served as a director of Energy Complex Company Limited, a company responsible for the construction and operational management of an office building complex, from April 2012 to August 2018 and PTT Digital Solutions Co., Ltd., an information and communication technology company, from March 2014 to August 2018. Mr. Mekavichai received a BS in Geography from Srinakharinwirot University and a diploma in Hydrographic Surveying from Plymouth Polytechnic, U.K. Mr. Mekavichai brings broad expertise in oil and gas operations, risk management, human resources and corporate development to the board of directors. In addition, we believe that Mr. Mekavichai's extensive experience as an executive and director at international energy companies makes him qualified to serve on our board of directors.

Charles C. Miller III has served as a director of the Company since May 2020. He has served as a director of Global Healthcare Exchange, a provider of exchange and other electronic services to health care providers and their suppliers, since June 2017 and Equideum Health, a Web3 person-centered healthcare and research network provider, since December 2021. Mr. Miller was an executive in the telecommunications industry from 1987 to 2013. From 2000 to 2014, he was Vice Chairman of Level 3 Communications where his responsibilities included corporate strategy, mergers and acquisitions, business development, marketing and information services. Prior to that, Mr. Miller was an executive officer of BellSouth Corporation from 1987 to 2000, where his roles included Senior Vice President, Corporate Strategy and Development, as

well as President of BellSouth International, Inc. Before his telecommunications career, he practiced corporate law at King & Spalding LLP from 1979 to 1984 and Ropes & Gray LLP from 1977 to 1979. Mr. Miller received an AB from Harvard College and a JD from Harvard Law School. Mr. Miller brings broad expertise in strategic planning, business development and technology to the board of directors. In addition, we believe that Mr. Miller's U.S. public company board experience and legal expertise make him qualified to serve on our board of directors.

Sunit S. Patel has served as a director of the Company since September 1, 2022. Since February 2021, Mr. Patel has served as Chief Financial Officer of Ibotta, Inc., a consumer technology company. Prior to that, he served as Executive Vice President, Merger and Integration Lead, at T-Mobile US, Inc., a provider of mobile communications services, from October 2018 to April 2020. In addition, Mr. Patel served as Executive Vice President and Chief Financial Officer of CenturyLink, Inc., an international facilities-based communications company, from November 2017 to September 2018 and Executive Vice President and Chief Financial Officer of Level 3 Communications Inc. from 2003 until its merger with CenturyLink in November 2017. He also co-founded and served as Chief Financial Officer of Looking Glass Networks Inc., a facilities-based provider of metropolitan telecommunication transport services, from April 2000 to March 2003. Prior to that, he served in senior leadership positions in a number of telecom companies and began his professional career in investment banking. Mr. Patel received a B.S. in Chemical Engineering and Economics from Rice University and is a Chartered Financial Analyst (CFA). Mr. Patel brings broad experience in financial, accounting and technology matters and strategic planning and transactions to the board of directors. In addition, we believe that Mr. Patel's financial and accounting expertise, executive leadership experience and public company experience make him qualified to serve on our board of directors.

Anon Sirisaengtaksin has served as a director of the Company since May 2020. He has served as a director of Banpu (SET: BANPU) since April 2016 and an Executive Advisor to Banpu for its oil and gas business since 2014. He has also served as a director of Saha-Union Public Company Limited (SET: SUC), an investment company, since January 2020 and CIMB Thai Bank Public Company Limited (SET: CIMBT), a commercial bank in Thailand, since June 2020. In addition, he served as a director and Chief Executive Officer of PTT Global Chemical Public Company Limited (SET: PTTGC) from 2012 to 2013, President and Chief Executive Officer of PTT Exploration (SET: PTTEP) from 2008 to 2012, Senior Executive Vice President, Corporate Strategy and Development of PTT Public Company Limited ("PTT PCL") (SET: PTT) from 2002 to 2008, Executive Vice President, Natural Gas Supply and Trading, Gas Business Group, of PTT PCL from 2001 to 2002 and Deputy President, Natural Gas Marketing and Transmission of PTT Natural Gas Distribution Co., Ltd. from 1996 to 2001. Mr. Sirisaengtaksin received a BS in Geology from Chulalongkorn University and an MBA from Thammasat University. Mr. Sirisaengtaksin brings broad expertise in corporate leadership and strategic planning to the board of directors. In addition, we believe that Mr. Sirisaengtaksin's extensive experience as an executive at international energy companies makes him qualified to serve on our board of directors.

Sinon Vongkusolkit has served as a director of the Company since July 2022. He has served as Chief Executive Officer of Banpu NEXT Co. Ltd. since July 2022. Prior to that, he served at Banpu (SET: BANPU) in the Project Management Office team, where he executed financial and asset transactions, from January 2020 to June 2022. He also served as a financial analyst in the Corporate Finance team of Banpu, where he worked on funding for the Banpu group, from November 2014 to January 2020. Mr. Vongkusolkit received a BA in Business and Marketing Management from Oxford Brookes University and an MA in Global Management Finance from Regent's University London. Mr. Vongkusolkit brings broad expertise in strategic management and operations, including corporate finance, investments and project management, from his time at Banpu to the board of directors. In addition, we believe that Mr. Vongkusolkit's leadership skills, technological adeptness and growth mindset from his time at Banpu NEXT Co. Ltd. make him qualified to serve on our board of directors.

Controlled Company

We intend to apply to list our common stock on the NYSE under the symbol "BKV." Upon completion of this offering, BNAC will hold approximately % of our total outstanding shares of common stock (or approximately % if the underwriters exercise in full their option to purchase additional shares), comprising more than 50% of the voting power of our outstanding common stock. As a result, we will be a

"controlled company" within the meaning of the corporate governance rules of the NYSE. As a "controlled company," we will be eligible to rely on exemptions from the obligation to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of our board of directors consist of independent directors;
- we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These exemptions do not modify the independence requirements for our audit committee. As a controlled company, we will remain subject to the rules of the Sarbanes-Oxley Act and the NYSE that require us to have an audit committee composed entirely of independent directors. Under these rules, we must have at least one independent director on our audit committee by the date our common stock is listed on the NYSE, at least two independent directors on our audit committee within 90 days of the listing date, and at least three independent directors on our audit committee within one year of the listing date. We expect to have three independent directors upon the closing of this offering.

While BNAC continues to control more than 50% of the voting power of our outstanding common stock, we qualify for, and intend to rely on, these exemptions. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

If we cease to be a controlled company within the meaning of the applicable rules of the NYSE, we will be required to comply with these requirements after specified transition periods.

Board of Directors

We currently have eleven directors on our board of directors.

Pursuant to our Stockholders' Agreement, for so long as BNAC and Banpu beneficially own 10% or more of our voting stock, BNAC will be entitled to designate for nomination to our board of directors a number of individuals approximately proportionate to such beneficial ownership, provided that (i) from the completion of this offering until the first anniversary of the completion of this offering, at least three board seats will not be BNAC designees, (ii) from and after the first anniversary of the completion of this offering until the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, at least four board seats will not be BNAC designees, and (iii) from and after the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, a number of board seats equal to the minimum number of directors that would constitute a majority of the total number of directors comprising our board of directors will not be BNAC designees. The BNAC designees are Messrs. Kalnin, Davis, C. Vongkusolkit, Dayananda, Mekavichai, Sirisaengtaksin and S. Vongkusolkit and Ms. Chaimongkol.

Our board of directors will be divided into three classes of directors, with each class to be as equal in number as possible, and with the directors serving staggered three-year terms. The term of office of the Class I directors, consisting of , will expire at our first annual meeting of stockholders following the completion of this offering. The term of office of the Class II directors, consisting of , will expire at our second annual meeting of stockholders following the completion of this offering. The term of office of the Class III directors, consisting of , will expire at our third annual meeting of stockholders following the completion of this offering. See "*Description of Capital Stock — Anti-Takeover Provisions — Classified Board of Directors*" for more information.

Director Independence

Upon completion of this offering, three members of our board of directors will qualify as "independent" under the listing standards of the NYSE. Our board of directors has determined that each of is independent as defined under the NYSE corporate governance standards.

Committees of the Board of Directors

Our board of directors will establish standing committees in connection with the discharge of its responsibilities. Upon the completion of this offering, these committees will include an Audit & Risks Committee, a Compensation Committee and a Nominations & Governance Committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

Audit & Risks Committee

The Audit & Risks Committee will oversee the conduct of our financial reporting processes, including (i) reviewing with management and the outside auditors the audited financial statements included in our annual reports filed with the SEC, (ii) reviewing with management and the outside auditors the interim financial results included in our quarterly reports filed with the SEC, (iii) discussing with management and the outside auditors the quality and adequacy of internal controls and (iv) reviewing the independence of the outside auditors.

Our Audit & Risks Committee will have a minimum of three members. Upon the completion of this offering, we expect the members of our Audit & Risks Committee will be , and . will serve as the chair of the Audit & Risks Committee. All members of our Audit & Risks Committee will be "independent" as defined in the NYSE corporate governance standards and Rule 10A-3 of the Exchange Act. All members of our Audit & Risks Committee will, in the judgment of our board of directors, be financially literate, or become so within a reasonable period of time after appointment to the Audit & Risks Committee, and at least one member of the Audit & Risks Committee will qualify as an "audit committee financial expert" as defined under the Sarbanes-Oxley Act and applicable SEC regulations. The Audit & Risks Committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NYSE, and the Audit & Risks Committee will review the charter annually. A copy of the Audit & Risks Committee Charter will be available for review on the Company's website.

Nominations & Governance Committee

The Nominations & Governance Committee will be responsible for (i) advising our board of directors about the appropriate composition of our board of directors and its committees, (ii) identifying and evaluating candidates for board service, (iii) recommending director nominees for election at annual meetings of stockholders or for appointment to fill vacancies and newly created directorships, and (iv) recommending the directors to serve on each committee of our board of directors. The Nominations & Governance Committee will also be responsible for periodically reviewing and making recommendations to our board of directors regarding corporate governance policies and responses to stockholder proposals, for conducting an annual performance review of our board of directors and its committees, and for reviewing whether our directors satisfy applicable independence requirements. Pursuant to our Stockholders' Agreement, BNAC, through ownership interests in us held by BNAC and its affiliates, will have certain rights to designate individuals for nomination to our board of directors, subject to applicable corporate governance rules of the SEC and the NYSE (which may require BNAC to designate independent directors). See "*Certain Relationships and Related Party Transactions — Stockholders' Agreement*."

Upon the completion of this offering, we expect the members of our Nominations & Governance Committee will be , and . will serve as the chair of the Nominations & Governance Committee. As a "controlled company," our Nominations & Governance Committee is not required to be comprised of entirely independent directors. The Nominations & Governance Committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NYSE, and the Nominations & Governance Committee will review the charter annually. A copy of the Nominations & Governance Committee Charter will be available for review on the Company's website.

Compensation Committee

The Compensation Committee will review, evaluate and recommend to our board of directors compensation policies with respect to our directors, executive officers and senior management. The

Compensation Committee will also administer the 2022 Plan. The Compensation Committee will have the authority to approve the compensation of the directors, executive officers and senior management of the Company. The Compensation Committee will also have the authority to grant equity awards under the 2022 Plan.

Upon the completion of this offering, we expect the members of our Compensation Committee will be , and . will serve as the chair of the Compensation Committee. As a "controlled company," our Compensation Committee is not required to be comprised of entirely independent directors. The Compensation Committee will operate under a written charter that satisfies the applicable rules and regulations of the SEC and the listing standards of the NYSE, and the Compensation Committee will review the charter annually. A copy of the Compensation Committee Charter will be available for review on the Company's website.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve on the board of directors or compensation committee of another public company that has an executive officer that serves on our board or compensation committee. No member of our board is an executive officer of another public company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

Code of Business Conduct and Ethics

Upon the completion of this offering, our board of directors will adopt a new Code of Business Conduct and Ethics applicable to all the Company's employees, officers and directors. The Code of Business Conduct and Ethics will cover compliance with law; fair and honest dealings with the Company, its competitors and others; full, fair and accurate disclosure to the public; and procedures for compliance with the Code of Business Conduct and Ethics. This Code of Business Conduct and Ethics will be available on the Company's website.

Corporate Governance Guidelines

Upon the completion of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of the NYSE.

EXECUTIVE COMPENSATION

This section describes the material elements of compensation awarded to, earned by or paid to the following named executive officers (our "NEOs") for calendar year 2021:

- Christopher Kalnin, Chief Executive Officer and interim Chief Financial Officer
- John Jimenez, Chief Financial Officer
- Eric Jacobsen, Chief Operating Officer

2021 Summary Compensation Table

Name and Position (as of December 31, 2021)	Year	Salary ($)	Bonus ($)[1]	Stock awards ($)[2]	Nonequity incentive plan compensation ($)[3]	All other compensation ($)[4]	Total ($)
Christopher Kalnin Chief Executive Officer[5]	2021	501,923	—	16,896,074	795,000	11,928	18,204,925
John Jimenez Chief Financial Officer[6]	2021	250,385	250,000	8,009,952	120,204	31,339	8,661,880
Eric Jacobsen Chief Operating Officer	2021	401,539	—	9,591,205	224,190	22,340	10,239,274

(1) Amount represents the one-time sign-on bonus paid to Mr. Jimenez in connection with the commencement of his employment.

(2) Amounts reported represent the aggregate grant date fair value of TRSUs and PRSUs under the 2021 Plan, computed in accordance with FASB ASC 718. Each of Messrs. Kalnin's, Jimenez's and Jacobsen's PRSUs were granted in 2021. Under the 2021 Plan, TRSUs are expected to be granted in four annual grants over a four-year period. The first annual grant of each of Messrs. Kalnin's, Jimenez's and Jacobsen's TRSUs were granted in 2021. In accordance with FASB ASC 718, for accounting purposes, the Company recognized a compensation expense for each of the four annual grants expected to be granted during the four-year period, although only the first annual grant was granted in 2021. Therefore, the grant date fair value of the TRSUs reflects not only the TRSUs granted in 2021, but also the TRSUs that were expected to be granted in 2022, 2023 and 2024, subject to the continuation of the 2021 Plan and continued employment through each such anticipated grant date, in addition to other factors. For more details relating to the assumptions used in calculating the grant date fair value of the TRSUs and PRSUs reported in this column, including modifications made thereto in November 2021, see "*Note 11 — Equity-based Compensation*" to our historical consolidated financial statements included elsewhere in this prospectus. The grant date fair value for the PRSUs reflected in this table are reported based upon the probable outcome of the performance conditions as of the grant date, and were $12,570,730, $5,959,428 and $7,135,885 for Messrs. Kalnin, Jimenez and Jacobsen, respectively, which amounts are the sum of the original grant date fair value of the PRSUs, assuming a stock price of $10.00 per share and assumptions made with respect to the achievement of the performance goals at that time, plus the incremental cost associated with a modification made to the awards in November 2021, assuming a stock price of $11.06 per share and changes to the assumptions made with respect to the achievement of the performance goals as of the date of modification. The value of the PRSUs granted in 2021, assuming achievement of the maximum performance would have been as follows: Mr. Kalnin: $20,184,942; Mr. Jimenez: $12,029,741; Mr. Jacobsen: $14,404,544, which amounts are the sum of the original grant date fair value of the PRSUs, assuming a stock price of $10.00 per share, plus the incremental cost associated with a modification made to the awards in November 2021, assuming a stock price of $11.06 per share.

(3) Amounts reported represent each NEO's annual performance-based bonus earned in 2021 but paid after the end of the fiscal year, upon certification of the applicable performance measures by our Compensation Committee. See "*— 2021 Performance-Based Bonuses*" for more information.

(4) Amounts reported include the amounts paid to the NEOs shown in the following table:

	Company 401(k) Contribution ($)[a]	Life Insurance Premiums ($)[b]	Relocation ($)[c]
Christopher Kalnin	11,808	120	—
John Jimenez	16,956	120	14,263
Eric Jacobsen	22,220	120	—

(a) The Company maintains a 401(k) plan that provides employees with an opportunity to save for retirement. The Company makes matching contributions of up to 6% of base salary, which contributions are immediately vested.

(b) Included in this column are the life insurance premiums paid on behalf of each NEO.

(c) Included in this column are the relocation expenses for which Mr. Jimenez was reimbursed in connection with his relocation to the Denver, Colorado area.

(5) Mr. Kalnin served as the Company's interim Chief Financial Officer from July 2020 until Mr. Jimenez assumed the role in April 2021. Mr. Kalnin was not separately compensated for his position as interim Chief Financial Officer.

(6) Mr. Jimenez assumed the role of Chief Financial Officer on April 16, 2021, and thus his base salary and non-equity incentive plan compensation information reflects only the period from April 16, 2021 through December 31, 2021.

Employment Agreements

CEO Employment Agreement

Mr. Kalnin and the Company entered into an employment agreement effective as of August 4, 2020 (the "CEO Employment Agreement"), which provides Mr. Kalnin with, among other things, (1) an annual base salary of $500,000, subject to annual review by our board of directors, (2) the eligibility to receive an annual cash bonus, with target payment equal to 100% of his base salary, but paid at an amount commensurate with the level at which the applicable performance goals are achieved (which may be higher or lower than the target level) and subject to continued employment through the end of the year, and (3) the opportunity to participate in the Company's equity incentive plan, with an annual restricted stock unit ("RSU") award to be made in each of 2020, 2021, 2022 and 2023 (each an "Annual RSU Grant") that is equal to, at least 325,900 RSUs per year; subject to the terms of the applicable plan. Mr. Kalnin's Annual RSU Grant has been satisfied in accordance with the 2021 Plan, by reference to Mr. Kalnin's four-year Annual RSU Grant opportunity, granted approximately 70% on January 1, 2021 in the form of PRSUs and the remaining 30% in TRSUs, the first and second annual grants of which were granted in each of January 1, 2021 and January 1, 2022. Each of the TRSU annual grants are subject to vesting requirements once granted, as described in more detail below in "— *Equity Awards Granted Under Our 2021 Long Term Incentive Plan*." Mr. Kalnin is also eligible to participate in and receive benefits offered to our employees, including paid and holiday time off, health insurance coverage and participation in our 401(k) plan. Mr. Kalnin is subject to customary confidentiality and invention assignment covenants, as well as non-competition and non-solicitation covenants which extend for 18 months after termination of employment. Additionally, Mr. Kalnin may receive compensation and benefits in connection with a termination of his employment or a change in control, which are discussed below in "— *Potential Payments Upon Termination or Change in Control — Separation Benefits in the CEO Employment Agreement*."

CFO Employment Agreement

Mr. Jimenez and the Company entered into an employment agreement effective as of January 11, 2021 (the "CFO Employment Agreement"), pursuant to which Mr. Jimenez assumed the role of the Company's Chief Financial Officer as of April 16, 2021 and which provides Mr. Jimenez with, among other things, (1) an annual base salary of $350,000, (2) the opportunity to receive a discretionary annual cash bonus based on the Company's performance (and taking into account Mr. Jimenez's individual effort and satisfactory

achievement of established performance goals) in an amount between 0% and 60% of his base salary, and (3) the opportunity to participate in the 2021 Plan, which was originally estimated to equate to equity awards with respect to approximately 618,000 shares over a four-year period and, which would be subject to the terms of the 2021 Plan and ultimately dependent based on Company performance and Mr. Jimenez's individual effort and satisfactory achievement of performance goals. The CFO Employment Agreement provided Mr. Jimenez with a one-time singing bonus of $250,000 in connection with the commencement of his employment with the Company and the payment of Mr. Jimenez's relocation expenses, up to a maximum of $30,000, incurred in connection with his relocation to the Denver, Colorado area. Mr. Jimenez is also eligible to participate in and receive benefits offered to other employees, including paid and holiday time off, health insurance coverage and participation, with a company match, in our 401(k) plan. Mr. Jimenez is subject to customary confidentiality and invention assignment covenants, as well as non-disparagement, non-competition and non-solicitation covenants which extend for 12 months after termination of employment. Additionally, Mr. Jimenez may receive compensation in connection with a termination of his employment, which is discussed below in "— *Potential Payments Upon Termination or Change in Control — Separation Benefits in the CFO Employment Agreement*."

COO Employment Agreement

Mr. Jacobsen and Kalnin Ventures entered into an employment agreement effective as of February 18, 2020 (the "COO Employment Agreement"), which provides Mr. Jacobsen with, among other things, (1) an annual base salary of $400,000 and (2) the opportunity to receive a discretionary annual cash bonus based on the Company's performance (and taking into account Mr. Jacobsen's individual effort and satisfactory achievement of established performance goals) in an amount between 0% and 40% of his base salary. Mr. Jacobsen is also eligible to participate in and receive benefits offered to other employees, including paid and holiday time off, health insurance coverage and participation, with a company match, in our 401(k) plan. Mr. Jacobsen is subject to customary confidentiality and invention assignment covenants, as well as non-disparagement, non-competition and non-solicitation covenants. Additionally, Mr. Jacobsen may receive compensation in connection with a termination of his employment, which is discussed below in "— *Potential Payments Upon Termination or Change in Control — Separation Benefits in the COO Employment Agreement*."

Equity Awards Granted Under Our 2021 Long Term Incentive Plan

During the year ending December 31, 2021, RSU awards were granted to our NEOs under the 2021 Plan, some of which are subject to service-based vesting conditions and some of which are subject to both performance-based and service-based vesting conditions. On January 1, 2021, Mr. Kalnin and Mr. Jacobsen were granted 97,770 and 55,500 TRSUs, respectively, and 912,520 and 518,000 PRSUs at the target payout level (which equate to 1,825,040 and 1,036,000 PRSUs at maximum payout level), respectively. On April 16, 2021, Mr. Jimenez was granted 46,350 TRSUs and 432,600 PRSUs at the target payout level (which equates to 865,200 PRSUs at maximum payout level). Approximately 25% of Messrs. Kalnin's and Jacobsen's TRSUs were vested at the time of grant and the remainder were set to vest in three roughly equal tranches on each of January 1, 2022, January 1, 2023 and January 1, 2024, in each case, subject to continued employment through such applicable vesting date. Approximately 25% of Mr. Jimenez's TRSUs were vested at the time of grant and the remainder were set to vest in three roughly equal tranches on each of April 16, 2022, April 16, 2023 and April 16, 2024, in each case, subject to continued employment through such applicable vesting date. Messrs. Kalnin's, Jacobsen's and Jimenez's PRSUs will vest based upon the level at which the performance measures described below in "— *BKV Corporation 2021 Long Term Incentive Plan*" are achieved over the period beginning January 1, 2021 and ending on the earliest of December 31, 2023, an IPO or Change in Control of the Company (each as defined in the 2021 Plan), so long as each of Messrs. Kalnin, Jacobsen and Jimenez remain employed by the Company through the end of such performance period.

2021 Performance-Based Bonuses

For 2021, our Compensation Committee recommended and our board of directors approved the adoption of an annual, performance-based bonus program for all of our employees, including each of our NEOs (the "2021 Annual Bonus"). Messrs. Kalnin, Jimenez and Jacobsen were assigned a target bonus opportunity equal to, for Mr. Kalnin, 100% of his base salary and for Messrs. Jimenez and Jacobsen, 30%

of each of their respective base salaries. Each employee's 2021 Annual Bonus was calculated by multiplying the individual's base salary by his target bonus opportunity and multiplied by an additional two components: the corporate multiplier, based on corporate performance goals, which were based off of the KPI Scorecard (discussed below), and an individual multiplier, based on individual performance goals determined by, for Mr. Kalnin, the board of directors and for Messrs. Jimenez and Jacobsen, Mr. Kalnin, subject to approval by our board of directors. Once both the corporate performance goals and the individual performance goals were scored and the corporate multiplier and individual multipliers were determined, the 2021 Annual Bonus earned by each of Messrs. Kalnin, Jimenez and Jacobsen were equal to the product of their respective target bonus opportunities and the corporate multiplier and individual multiplier assigned to the corporate performance goals and individual performance goals, respectively. Mr. Jimenez's 2021 Annual Bonus was prorated to reflect the number of full months worked during 2021.

Company Performance Measures

The company performance metrics were based on the "KPI Scorecard," which evaluated "lagging" indicators and "leading" indicators that were weighted at an aggregate of 70% and 30%, respectively. The "lagging "indicators measured the Company's key financial and operation metrics, including the Company's EBITDA, net income, free cash flow, net production, year-end reserves, break-even unit costs, costs of upstream subsurface development and environmental health safety and regulatory measures. Each of these metrics comprised between 5% and 20% of the overall "lagging" indicator category." The "leading" indicators measured the Company's achievement of strategic and business plan goals, including employee engagement, baseline ESG scores as measured by a third-party consultant, the successful completion of the integration of the Devon Barnett Acquisition, the number of acquisition opportunities identified by the Company, the Company's automation and use of big data tools, the process redesign implementation of EHSR and operations, the achievement of midstream projects, enhancements in the Company's value chain and the level at which future projects inventory is clearly planned and to go, each weighted equally at 10%.

The Compensation Committee determined that the "lagging" indicators, or the financial and operational metrics were met, in the aggregate, at 160% of target, resulting in a company multiplier of 1.12 (or the product of the 160% level of achievement and the 70% weighting of such metrics). The Compensation Committee determined that the "leading" indicators, or the Company's strategic goals, were met, in the aggregate, at 184% of target, resulting in a company multiplier of .55 (or the product of the 184% level of achievement and the 30% weighting of such metrics). These determinations would have resulted in a total company multiplier equal to 1.67. However, the Compensation Committee included in its analysis of the Company's performance during 2021 that, while not costs that affected the level at which the performance metrics of the KPI Scorecard were met, there were nonetheless certain other costs that affected the Company. As a result of these costs and in the Compensation Committee's discretion to determine the level at which the performance metrics of the KPI Scorecard were achieved, the Compensation Committee determined that the overall company multiplier should be lowered by approximately 5%, resulting in a company multiplier equal to 1.59.

Individual Performance Measures

The Compensation Committee set Mr. Kalnin's individual performance measures to be the same as the KPI Scorecard used for the company performance measures. The Compensation Committee determined that Mr. Kalnin's individual contributions to the KPI Scorecard, along with his guiding the Company to be ready for an IPO and the Company's employee satisfaction (measured through a survey of the employees) resulted in an individual multiplier of 1.000, which the board of directors approved. Mr. Kalnin set Messrs. Jimenez's and Jacobsen's individual performance goals to be based off the elements of the KPI Scorecard that directly related to each of their duties. For Mr. Jimenez, his individual performance goals included his leadership, people and culture skills, his finance and accounting foundational processes and his IPO readiness. Mr. Kalnin recommended to the board of directors that, based on the strong relationships Mr. Jimenez built with investors, his ability to address audit issues and his engagement of Deloitte to define strategy and baseline readiness, and to prepare a plan for the Company's IPO, Mr. Jimenez's individual multiplier should be 1.080, which the board of directors approved. Mr. Jacobsen's individual performance goals included his leadership, people and culture skills, his ESG foundations and his IPO readiness. Mr. Kalnin recommended to the board of directors that, based on the strong leadership skills Mr. Jacobsen showed in

both internal and external collaboration, his defined ESG strategy and implementation and his operations preparedness for an IPO in 2022, Mr. Jacobsen's individual multiplier should be 1.175, which the board of directors approved.

Outstanding Equity Awards at Fiscal Year-End

	Stock Awards			
Name	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
Christopher Kalnin	—	—	912,520[(1)]	10,722,110
Christopher Kalnin	73,328[(2)]	861,604	—	—
John Jimenez	—	—	432,600[(1)]	5,083,050
John Jimenez	34,763[(3)]	408,465	—	—
Eric Jacobsen	—	—	518,000[(1)]	6,086,500
Eric Jacobsen	41,625[(2)]	489,094	—	—

(1) Represents the target number of PRSUs outstanding as of December 31, 2021 (assuming the performance goals are determined to be met at target). The number of PRSUs outstanding (and the value thereof), as of December 31, 2021 assuming the performance goals are determined to be met at maximum was 1,825,040 (or $21,444,220); 865,200 (or $10,166,100); and 1,036,000 (or $12,173,000) for Messrs. Kalnin, Jimenez and Jacobsen, respectively.

(2) Represents the portion of the TRSUs granted on January 1, 2021 to Messrs. Kalnin and Jacobsen that remained outstanding and unvested as of December 31, 2021, which vest approximately one-third on each of January 1, 2022, January 1, 2023 and January 1, 2024.

(3) Represents the portion of the TRSUs granted on April 16, 2021 to Mr. Jimenez that remain outstanding and unvested as of December 31, 2021, which vest approximately one-third on each of April 16, 2022, April 16, 2023 and April 16, 2024.

Potential Payments Upon Termination or Change in Control

Separation Benefits in the CEO Employment Agreement

The CEO Employment Agreement provides that, if Mr. Kalnin's employment with the Company is terminated by the Company without "cause" or by Mr. Kalnin with "good reason," (1) any outstanding RSUs granted pursuant to his Annual RSU Grant will become vested and (2) Mr. Kalnin will receive a lump sum payment equal to 200% of the sum of (a) his base salary plus (b) his target annual cash bonus, each in effect at the time of Mr. Kalnin's termination. If Mr. Kalnin elects coverage under the Company's medical plan pursuant to COBRA, Mr. Kalnin will be reimbursed for the full amount of his and his eligible dependents' COBRA premiums for the 18-month period following his termination, unless he earlier becomes eligible for coverage under another employer's medical plan (together with the Annual RSU Grant acceleration and lump sum payment, the "CEO Separation Benefits"). "Cause," as defined in the CEO Employment Agreement, means Mr. Kalnin's (i) indictment for a felony or his commission of fraud against the Company; (ii) misconduct that brings the Company into substantial public disgrace or disrepute; (iii) gross negligence or gross misconduct with respect to the Company; (iv) insubordination to, or material failure to follow lawful directions of, the board of directors, in either case if not cured within 10 days of Mr. Kalnin's receipt of written notice of such event; (v) material violation of the restrictive covenants in the CEO Employment Agreement; (vi) material breach of any a Company work rule or internal policy that is not cured within 10 days of Mr. Kalnin's receipt of written notice of such event (if such event can be cured); (vii) a violation of the Foreign Corrupt Practices Act of 1977 or any state or federal anti-money laundering laws; or (viii) material breach of the CEO Employment Agreement that is not cured within 30 days of

Mr. Kalnin's receipt of written notice of such breach. "Good Reason," as defined in the CEO Employment Agreement, means (i) a material reduction in Mr. Kalnin's base salary or target annual bonus (other than as part of an across-the board reduction of no more than 10% applicable to all of the Company's executives); (ii) a material diminution in Mr. Kalnin's position, duties, authority, reporting or responsibilities; (iii) the Company's material breach of the CEO Employment Agreement; or (iv) the involuntary permanent relocation of Mr. Kalnin's principal place of business to a location more than 35 miles beyond the Company's current place of business.

Mr. Kalnin's receipt of the CEO Separation Benefits is subject to his execution and non-revocation of a release of claims in favor of the Company and his continued compliance with the restrictive covenants contained in the CEO Employment Agreement. Such restrictive covenants include non-competition, non-solicitation (of both employees or customers) and intellectual development prohibitions for 18 months following termination, along with a perpetual confidentiality prohibition.

Separation Benefits in the CFO Employment Agreement

The CFO Employment Agreement provides that, if Mr. Jimenez's employment with the Company is terminated by the Company without "cause" (as defined in the CFO Employment Agreement), Mr. Jimenez will receive 18 months of base salary, subject to his execution of a separation agreement and general release and his compliance with a 12 month non-competition and non-solicitation restriction.

Separation Benefits in the COO Employment Agreement

The COO Employment Agreement provides that, if Mr. Jacobsen's employment with the Company is terminated by the Company without "cause" (as determined by the Company in good faith), Mr. Jacobsen will receive a lump sum payment equal to three months of his base salary.

BKV Corporation 2021 Long Term Incentive Plan

The 2021 Plan was initially adopted by our board of directors on January 1, 2021 and was amended in November 2021. The 2021 Plan will be terminated by the board of directors in connection with this offering.

Purpose. The purpose of the 2021 Plan was to permit the grant of awards to our directors and employees of our Company or any of our subsidiaries, and to attract and retain such individuals who contribute to the achievement of the Company's economic objectives.

Administration. Our 2021 Plan was administered by our Compensation Committee (for purposes of this section, the "Committee") and subject to the board of director's approval. Subject to the terms of the 2021 Plan, the administrator had the authority to, among other things, select the persons to whom awards are granted, determine the nature, extent and timing of the awards to be granted, determine the duration of and restrictions and other conditions applicable to such awards. Any interpretation or determination by the Committee under the 2021 Plan will be final and conclusive. The Committee may delegate its administrative duties or powers to one or more of our officers.

Shares Available. There were 14,941,176 shares of our common stock authorized for grant under the 2021 Plan. The shares available for issuance may be shares authorized but unissued or treasury shares. The Chief Executive Officer had the authority to grant up to 60% of the available shares on or before December 31, 2022 (assuming target payout of the PRSUs). Assuming maximum payout of the PRSUs and based on the TRSUs that were legally outstanding as of September 30, 2022, 12,633,605 shares were underlying outstanding equity awards and 916,119 shares remained available for issuance under the 2021 Plan.

Share Counting. The aggregate number of shares of our common stock that were available for award under the 2021 Plan were reduced by one share of our common stock for every one share of our common stock subject to an award granted under the 2021 Plan. Shares of our common stock that were subtracted from the amount of available shares with respect to an award that ultimately lapsed, expired, was forfeited or for any reason was terminated or unvested were not automatically available again for issuance under the 2021 Plan.

Eligibility. Awards under the 2021 Plan could be granted to employees and directors of the Company or any of our subsidiaries. Eligible recipients who were either (1) the Chief Executive Officer or classified by the Company at the Senior Management level (those reasonably likely to be in the four most highly compensated during the next financial year or otherwise recommended by the Chief Executive Officer and approved by the board of directors as such) or (2) classified by the Company below the Senior Management level but who were recommended for an award by our Chief Executive Officer generally received PRSUs and TRSUs under the 2021 Plan.

Types of Awards Under the 2021 Plan. Pursuant to the 2021 Plan, we could grant TRSUs and PRSUs. Generally, with respect to the aggregate awards anticipated to be granted to participants over a four-year period, 70% of such aggregate award granted under the 2021 Plan were PRSUs and 30% were TRSUs.

Time-Vested Restricted Stock Units. The TRSUs were contemplated as being granted annually beginning on the effective date of the 2021 Plan and in each of the three (3) financial years thereafter or commencing upon an individual first becoming a participant under the 2021 Plan. The TRSUs were subject to the recipient's continued employment and are 25% vested on grant, with the remaining TRSUs vesting 25% on each of the first, second and third anniversaries of grant.

Performance-Vested Restricted Stock Units. The PRSUs were granted as a one-time grant on the effective date of the 2021 Plan or upon an individual first becoming a participant under the 2021 Plan. The PRSUs vest subject to the recipient's continued performance through the vesting date and based upon the level at which the performance metrics are attained, which metrics may be attained at a level between 0% and 100% of the maximum performance level. The performance period for the PRSUs began on the effective date of the 2021 Plan and will end on the earliest of December 31, 2023, the date of an IPO or the date of a Change in Control (as defined in the 2021 Plan), which means that the performance period will end in connection with the completion of this offering. The performance measures include total shareholder return, return on capital employed and the Company's IPO readiness.

Effect of Termination or Forfeiture. Unless otherwise provided in an award agreement, or unless the Committee determines otherwise, upon a participant's termination for any reason, awards held by the participant that have not vested as of the date of his or her termination were forfeited. If the Committee determines that the participant has committed an act that would constitute cause or an adverse action (each as defined in the 2021 Plan), either before or after such participant's termination of employment and regardless of whether such participant was terminated for cause, the Committee in its sole discretion may require that the participant surrender and return to the Company all or any shares of common stock received prior to his or her termination in settlement of any vested award under the 2021 Plan or to disgorge all or any profits or any other economic value made or realized by the participant, during the period beginning one year before the participant's termination in connection with any shares of stock issued upon vesting of any TRSUs and PRSUs granted under the 2021 Plan.

Repurchase, Put and Drag-Along Rights. If a participant (1) committed a material breach of his or her employment agreement or service contract with the Company that was not capable of being remedied or, if capable of being remedied, that was not remedied by the participant within 30 days, or (2) was terminated for any reason, then the Company had the right, which remained open for 90 days following termination, to repurchase all (but not less than all) of the vested shares of common stock acquired by the participant under the 2021 Plan. The purchase price of the vested shares so repurchased was equal to the fair market value of the shares at the time of repurchase. If a participant's employment was terminated for any reason other than the participant's resignation or, if a participant's employment terminated due to his or her voluntary resignation and more than 36 months had passed since the participant's first grant of an incentive award under the 2021 Plan, and, in each case, the Company had not repurchased the participant's shares of common stock acquired under the 2021 Plan, the participant had the right to elect to sell such shares back to the Company at an amount equal to the fair market value of the shares at the time the election to sell was made. In November 2021, both the Company's repurchase right and this put right were amended so that they could not be exercised for at least 181 days following the date the participant's award vests and a "Sell Fund Purchase Program" was implemented whereby, if specifically provided for in an award agreement, participants have the ability to tender shares for repurchase by the Company. Additionally, if Banpu proposed

to effect the sale of shares of common stock representing more than 80% of the total issued and outstanding shares of Banpu, it may have required the participation in such sale of all of the vested shares of common stock owned by participants.

Corporate Transactions; Change in Control. In the event of (1) any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, extraordinary dividend or divestiture or other similar change in corporate structure or shares, (2) any purchase, acquisition, sale, disposition or write-down of a significant amount of assets or a significant business, (3) any change in accounting principles or practices, tax laws or other such laws or provisions affecting reported results, (4) any uninsured catastrophic losses or extraordinary non-recurring items as described in Accounting Standards Codification 225-20, (5) an IPO or (6) any other similar change, in each case with respect to the Company or any other entity whose performance is relevant to the vesting of the PRSUs, the Committee may amend or modify the vesting criteria of any outstanding PRSUs to equitably reflect such event, with the desired result that the criteria for evaluating such financial performance of the Company or such other entity will be substantially the same following such event as prior to such event.

In the event of a Change in Control (as defined in the 2021 Plan), the board of directors or any corporation or entity assuming the obligations of the Company could have provided that awards outstanding under the 2021 Plan be vested in full or in part on the date of such Change in Control or could have provided that such awards be assumed or that an equivalent award be substituted by the acquiring or succeeding corporation. The performance period of the PRSUs would end as of the date of such Change in Control.

Transferability. Generally, awards under the 2021 Plan may not be transferred by a participant except by will or the laws of descent and distribution. However, the 2021 Plan allowed participants to designate a beneficiary that would receive payment or settlement of an award under the 2021 Plan in the event of the participant's death.

Market Standoff. Unless the Committee otherwise provides the participant with prior written consent, the 2021 Plan places market stand-off restrictions on shares of common stock acquired in connection with the grant, vesting or settlement of the PRSUs and TRSUs. The participant may not, without the consent of the Company or the representatives of any underwriters (for the duration determined by the Company and the representatives of the underwriters, but not to exceed 180 days from the date of the final prospectus), (1) sell, pledge, offer to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock.

Amendment and Termination. The Committee has the authority to amend or modify for any reason the terms of any outstanding awards under the 2021 Plan, including the authority to modify the number of shares or other terms and conditions of an award, accept the surrender of an outstanding award or, to the extent to previously exercised or vested, authorize the grant of new awards in substitution for surrendered awards. However, the terms of any such amendments must be permitted by the 2021 Plan and such amendment may not (1) cause the award to become taxable under Section 409A of the Code or (2) adversely affect any participant without such participant's consent.

Our board of directors generally may amend, suspend or terminate the 2021 Plan in whole or in part. However, no termination, suspension or amendment of the 2021 Plan may adversely affect any outstanding award without the consent of the affected participant. The 2021 Plan shall terminate pursuant to its terms on the earlier of (1) six months following an IPO (including this offering) and (2) January 1, 2024; however, the board of directors acted to terminate the 2021 Plan in connection with the adoption of the 2022 Plan. Termination of the 2021 Plan pursuant to its terms will not affect the rights of the Company and participants and the Company's and participants' rights will remain in full force and effect as to all outstanding unvested or vested awards, and shares of common stock issued in settlement of awards.

BKV Corporation 2022 Equity And Incentive Compensation Plan

In connection with this offering, our board of directors adopted, and we anticipate our stockholders will approve, the 2022 Plan. The material terms of the 2022 Plan are as follows:

Purpose. The purpose of the 2022 Plan is to permit the grant of awards to our directors, officers and other employees and certain consultants, and to provide to such persons incentives and rewards for service and/or performance.

Administration; Effectiveness. The 2022 Plan will generally be administered by the Compensation Committee or any other committee of the board of directors designated by the board of directors to administer the 2022 Plan (for purposes of this section, the "Committee"). The Committee has the authority to determine eligible participants in the 2022 Plan, and to interpret and make determinations under the 2022 Plan. Any interpretation or determination by the Committee under the 2022 Plan will be final and conclusive. The Committee may delegate its administrative duties or powers to one or more of our officers. However, the board of directors shall have the same powers and authorities as the Committee with respect to grants of awards to non-employee directors and may, in its discretion, act in lieu of the Committee with respect to such awards.

Shares Available for Awards under the 2022 Plan. Subject to adjustment as described in the 2022 Plan, the number of shares of our common stock available for awards under the 2022 Plan is, in the aggregate, 10,000,000 shares of our common stock (which we refer to as the "Available Shares"), with such shares subject to adjustment to reflect any extraordinary cash dividend, stock dividend, split or combination of our common stock. The Available Shares may be shares of original issuance, treasury shares or a combination of the foregoing.

The 2022 Plan also contains limits on the maximum value at grant for awards to non-employee directors in any calendar year of $750,000.

Share Counting. The aggregate number of shares of our common stock available for award under the 2022 Plan will be reduced by one share of our common stock for every one share of our common stock subject to an award granted under the 2022 Plan.

Shares of our common stock subject to an award that is cancelled or forfeited, expires, is settled for cash or is unearned (in whole or in part) will be added back to the aggregate number of shares of our common stock available under the 2022 Plan, however, the following shares of our common stock will not be added back: (i) shares of our common stock withheld by us in payment of the exercise price of a stock option; (ii) shares of our common stock tendered or otherwise used in payment of the exercise price of a stock option; (iii) shares of our common stock withheld by us or tendered or otherwise used to satisfy a tax withholding obligation; (iv) shares of our common stock subject to share-settled appreciation rights that are not actually issued in connection with the settlement of such appreciation right; and (v) shares of our common stock reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of stock options. In addition, if under the 2022 Plan a participant has elected to give up the right to receive cash compensation in exchange for shares of our common stock based on fair market value, such shares of our common stock will not count against the aggregate number of shares of our common stock available under the 2022 Plan.

Shares of our common stock issued or transferred pursuant to awards granted under the 2022 Plan in substitution for or in conversion of, or in connection with the assumption of, awards held by awardees of an entity engaging in a corporate acquisition or merger with us or any of our subsidiaries (which we refer to as "Substitute Awards") will not count against, nor otherwise be taken into account in respect of, the share limits under the 2022 Plan unless otherwise provided in the 2022 Plan. Additionally, shares of common stock available under certain plans that we or our subsidiaries may assume in connection with corporation transactions from another entity may be available for certain awards under the 2022 Plan, but will not count against, nor otherwise be taken into account in respect of, the share limits under the 2022 Plan.

Types of Awards Under the 2022 Plan. Pursuant to the 2022 Plan, we may grant stock options, appreciation rights, restricted stock, RSUs, performance shares, performance units, cash incentive awards, and certain other awards based on or related to shares of our common stock.

Each grant of an award under the 2022 Plan will be evidenced by an award agreement or agreements, which will contain such terms and provisions as the Committee may determine, consistent with the 2022 Plan. Those terms and provisions include the number of our shares of our common stock subject to each award, earning or vesting terms and any other terms consistent with the 2022 Plan. A brief description of the types of awards which may be granted under the 2022 Plan is set forth below.

Stock Options. Stock options granted under the 2022 Plan are non-qualified stock options and must have an exercise price per share that is not less than the fair market value of a share of our common stock on the date of grant. The term of a stock option may not extend more than 10 years after the date of grant. Each grant will specify the form of consideration to be paid in satisfaction of the exercise price.

Appreciation Rights. The 2022 Plan provides for the grant of appreciation rights. An appreciation right is a right to receive from us an amount equal to 100%, or such lesser percentage as the Committee may determine, of the spread between the base price and the value of shares of our common stock on the date of exercise. An appreciation right may be paid in cash, shares of our common stock or any combination thereof. Except with respect to Substitute Awards, the base price of an appreciation right may not be less than the fair market value of a share of common stock on the date of grant. The term of an appreciation right may not extend more than 10 years from the date of grant.

Restricted Stock. Restricted stock constitutes an immediate transfer of the ownership of shares of our common stock to the participant in consideration of the performance of services, entitling such participant to dividend, voting and other ownership rights, subject to the substantial risk of forfeiture and restrictions on transfer determined by the Committee for a period of time determined by the Committee or until certain management objectives specified by the Committee are achieved. Each such grant or sale of restricted stock may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value per share of our common stock on the date of grant. Any grant of restricted stock may specify the treatment of dividends or distributions paid on restricted stock that remains subject to a substantial risk of forfeiture. Any such dividends or other distributions on restricted stock shall be deferred until, and paid contingent upon, the vesting of such restricted stock.

Restricted Stock Units. RSUs awarded under the 2022 Plan constitute an agreement by us to deliver shares of our common stock, cash, or a combination thereof, to the participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include the achievement of management objectives) during the restriction period as the Committee may specify. Each grant or sale of RSUs may be made without additional consideration or in consideration of a payment by the participant that is less than the fair market value of shares of our common stock on the date of grant. During the applicable restriction period, the participant will have no ownership, transfer or voting rights in the shares of our common stock underlying the RSUs. Rights to dividend equivalents may be extended to and made part of any RSU award at the discretion of and on the terms determined by the Committee, provided that any dividend equivalents or other distributions on the shares of our common stock underlying the RSUs shall be deferred until and paid contingent upon the vesting of such RSUs. Each grant of RSUs will specify that the amount payable with respect to such RSUs will be paid in cash, shares of our common stock, or a combination of the two.

Cash Incentive Awards, Performance Shares, and Performance Units. Performance shares, performance units and cash incentive awards may also be granted to participants under the 2022 Plan. A performance share is a bookkeeping entry that records the equivalent of one share of our common stock, and a performance unit is a bookkeeping entry that records a unit equivalent to $1.00 or such other value as determined by the Committee. Each grant will specify the number or amount of performance shares or performance units, or the amount payable with respect to cash incentive awards, being awarded, which number or amount may be subject to adjustment to reflect changes in compensation or other factors.

These awards, when granted under the 2022 Plan, become payable to participants upon the achievement of specified management objectives and upon such terms and conditions as the Committee determines at the time of grant. Each grant will specify the management objectives regarding the earning of the award. Each grant will specify the time and manner of payment of cash incentive awards, performance shares or performance units that have been earned, and any grant may further specify that any such amount may be paid or settled in cash, shares of our common stock, or any combination thereof. Any grant of performance

shares or performance units may provide for the payment of dividend equivalents in cash or in additional shares of our common stock, provided that such dividend equivalents shall be subject to deferral and payment on a contingent basis based on the earning and vesting of the performance shares or performance units, as applicable, with respect to which such dividend equivalents are paid.

Other Awards. The Committee may authorize the grant of such other awards (which we refer to as "other awards") that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of our common stock or factors that may influence the value of such shares of our common stock, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of our common stock, purchase rights for shares of our common stock, awards with value and payment contingent upon our performance or performance of specified subsidiaries, affiliates or other business units or any other factors designated by the Committee, and awards valued by reference to the book value of the shares of our common stock or the value of securities of, or the performance of our subsidiaries, affiliates or other business units.

Adjustments; Corporate Transactions. The Committee will make or provide for such adjustments in the: (i) number and kind of shares of our common stock covered by outstanding stock options, appreciation rights, restricted stock, RSUs, performance shares, performance units and, if applicable, other awards; (ii) exercise price or base price provided in outstanding stock options and appreciation rights; (iii) cash incentive awards; and (iv) other award terms, as the Committee determines to be equitably required in order to prevent dilution or enlargement of the rights of participants that otherwise would result from (a) any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in our capital structure, (b) any merger, consolidation, spin-off, spin-out, split-off, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities or (c) any other corporate transaction or event having an effect similar to any of the foregoing.

In the event of any such transaction or event, or in the event of a change in control (as defined in the 2022 Plan), the Committee may provide in substitution for any or all outstanding awards under the 2022 Plan such alternative consideration (including cash), if any, as it may in good faith determine to be equitable under the circumstances and will require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each stock option or appreciation right with an exercise price greater than the consideration offered in connection with any such transaction or event or change in control, the Committee may in its discretion elect to cancel such stock option or appreciation right without any payment to the person holding such stock option or appreciation right. The Committee will make or provide for such adjustments to the number of shares available for issuance under the 2022 Plan and the share limits of the 2022 Plan as the Committee in its sole discretion may in good faith determine to be appropriate in connection with such transaction or event.

Transferability of Awards. Except as otherwise provided by the Committee, no stock option, appreciation right, restricted share, RSU, performance share, performance unit, cash incentive award, other award or dividend equivalents paid with respect to awards made under the 2022 Plan may be transferred by a participant except by will or the laws of descent and distribution.

Amendment and Termination of the 2022 Plan . Our board of directors generally may amend the 2022 Plan from time to time in whole or in part. However, if any amendment (i) would materially increase the benefits accruing to participants under the 2022 Plan, (ii) would materially increase the number of shares of our common stock which may be issued under the 2022 Plan, (iii) would materially modify the requirements for participation in the 2022 Plan, or (iv) must otherwise be approved by our stockholders in order to comply with applicable law or the rules of the NYSE, then such amendment will be subject to stockholder approval and will not be effective unless and until such approval has been obtained.

Our board of directors may, in its discretion, terminate the 2022 Plan at any time. Termination of the 2022 Plan will not affect the rights of participants or their successors under any awards outstanding and not exercised in full on the date of termination. No grant will be made under the 2022 Plan more than 10 years after the effective date of the 2022 Plan, but all grants made prior to such date shall continue in effect thereafter subject to the terms of the 2022 Plan.

IPO Equity Grants

The Compensation Committee approved the grant of RSU awards upon the consummation of this offering under the 2022 Plan, subject to final approval of our stockholders of the 2022 Plan, to our NEOs. Sixty percent (60%) of each RSU award is subject to performance-based vesting and will vest upon the achievement of pre-specified performance goals at the end of a three-year performance period and forty percent (40%) of each RSU award is subject to time-based vesting and will vest in three equal installments on each of the first three anniversaries of the grant date. The vesting of both the performance-based and time-based RSUs will be subject to the grantee's continued employment through the applicable vesting date. We anticipate that the RSUs granted to our NEOs will have the following grant date fair values: Mr. Kalnin: $4,083,333, Mr. Jimenez: $1,866,667 and Mr. Jacobsen: $1,866,667. Following the vesting date, these RSU awards are expected to be settled in shares of our common stock.

BKV Corporation Employee Stock Purchase Plan

In connection with this offering, our board of directors adopted, and we anticipate our stockholders will approve, the ESPP. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The material terms of the ESPP are as follows:

Purpose. The purpose of the ESPP is to provide employees of the Company and certain of its subsidiaries with an opportunity to acquire a proprietary interest in the Company through the purchase of shares of our common stock.

Administration. The ESPP will be administered by the Compensation Committee (for purposes of this section, the "Committee"). Subject to the terms of the ESPP, the Committee will have the complete discretion to establish the terms and conditions of offerings under the ESPP and the subsidiaries, if any, eligible to participate in such offerings, to interpret the ESPP and to make all decisions related to the operation of the ESPP. The board of directors has the same powers as the Committee and may act in lieu of the Committee with respect to the ESPP.

Shares Available for Issuance. Subject to adjustment as described in the ESPP, the number of shares of our common stock available for awards under the ESPP is 1,000,000 shares of our common stock.

Eligibility. All employees who have been employed by the Company or a designated subsidiary (whether currently existing or subsequently established) for at least six months prior to the beginning of an Offering and who work at least 20 hours per week and more than five months per calendar year are eligible to participate in the ESPP, resulting in approximately 355 employees (including six executive officers) as eligible participants. The Committee may permit employees who work less than 20 hours per week or less than five months per year to participate and may exclude certain categories of employees from participating in any offering to the extent permitted by Section 423 of the Code, including employees who have not completed a minimum period of service with the Company and/or highly compensated employees. An employee may be excluded from participation in the ESPP if his or her participation in the ESPP is prohibited by local law or if complying with local law would cause the ESPP or an offering to violate the requirements of Section 423 of the Code. Also, in accordance with Section 423 of the Code, no employee may be granted a right to purchase shares of the Company's Class A Common Stock under the ESPP if, immediately after such grant, such employee would own stock and/or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary (including in such calculation stock held directly or indirectly by or for the benefit of the employee and stock held by certain persons related to the employee) or if such option would permit his or her rights to purchase stock under all employee stock purchase plans of the Company and its subsidiaries to accrue at a rate that exceeds $25,000 of the fair market value of such stock (determined at the time the option is granted) for each calendar year in which such option is outstanding at any time.

Participation. The ESPP will permit an eligible employee to purchase shares of the Company's common stock through payroll deductions, which may not exceed 10% of the employee's eligible compensation (or such lesser or greater limit as may be determined by the Committee for a particular offering). Employees will be able to withdraw all, but not less than all, of their accumulated payroll deductions prior to the end of an offering in accordance with the terms of the offering. Participation in the ESPP will

end automatically upon termination of employment. In the event of withdrawal or termination of participation in the ESPP, a participant's accumulated payroll contributions will be refunded without interest.

Certain limitations on the number of shares of our common stock that a participant may purchase apply. For example, if an offering is over-subscribed whereby, when added together, the total number of shares of our common stock purchased by all participants in a given offering would exceed the total number of shares of our common stock remaining available under the ESPP, the Committee shall allocate such shares remaining available under the ESPP in as uniform a manner as practicable and as the Committee determines to be equitable.

Offerings; Purchase Price. The ESPP will be implemented through a series of offerings of up to a period of 27 months, which will consist of one offering period. During the offering period, payroll contributions will accumulate without interest and, on the last trading day of the offering period, accumulated payroll deductions will be used to purchase shares of our common stock.

The purchase price for each offering will be established by the Committee and may not be less than 85% of the fair market value of a share of our common stock on either the first trading day of an offering or on the purchase date, whichever is lower.

Adjustments. In the event that there occurs a change in our capital structure through such actions as an extraordinary cash or a stock dividend, a stock split, combination of shares or recapitalization, or a merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or any other corporate transaction or event having a similar effect, then in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the ESPP, the Committee will adjust (1) the number of shares reserved under the ESPP, (2) the number of shares by which the share reserve may increase automatically each year, (3) the purchase price of outstanding options and (4) the number of shares that are subject to purchase limits under an ongoing offering.

Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, any offering then in progress will be shortened by setting a new purchase date before the proposed dissolution or liquidation and the offering will end immediately prior to the proposed dissolution or liquidation.

Change in Control. Unless otherwise determined by the Committee, in the event of a change in control (as defined in the ESPP) each outstanding option under the ESPP will be assumed or an equivalent option will be substituted by the successor corporation (or a parent or subsidiary of such successor corporation) and if the successor corporation refused to assume or substitute the options, then, unless otherwise provided by the Committee, the offering with respect to which the option relates will be shortened by setting a new purchase date, that will occur before the date of the change in control, on which the offering will end.

ESPP Amendment or Termination. The board of directors has the authority to amend or terminate our ESPP at any time. If any offering is terminated before its scheduled expiration, all amounts that have not been used to purchase shares of our common stock will be returned to participants (without interest, except as otherwise required by applicable law) as soon as administratively practicable. Unless earlier terminated by the board of directors, the ESPP shall have a term of 10 years.

Director Compensation

Name[1]	2021 Fees earned or paid in cash ($)[2]	Total($)
Chanin Vongkusolkit	—	—
Somruedee Chaimongkol	—	—
Joseph R. Davis	57,500	57,500
Akaraphong Dayananda	—	—
Thiti Mekavichai	—	—
Charles C. Miller III	57,500	57,500
Anon Sirisaengtaksin	—	—

(1) Mr. S. Vongkusolkit was elected to our board of directors effective July 19, 2022, and Ms. Mashinski and Mr.Patel were elected to our board effective September 1, 2022.

(2) In 2021, Messrs. Davis and Miller each receive an annual $50,000 cash retainers and additional $7,500 cash retainers, for service on the Compensation Committee (for Mr. Davis) and service on the Audit & Risks Committee (for Mr. Miller).

Through September 1, 2022, the non-executive members of our board of directors, other than Messrs. Davis and Miller, did not receive any compensation from the Company. Any compensation paid through such time by Banpu to our non-executive directors, including Messrs. C. Vongkusolkit, Dayananda, Mekavichai and Sirisaengtaksin and Ms. Chaimongkol, is not reflected as such compensation was not paid by us or our subsidiaries and related to such individual's services to Banpu.

On December 16, 2021, Mr. Davis, and on December 13, 2021, Messrs. Mekavichai and Miller, each purchased 6,000, 37,000 and 135,000 shares of our common stock, respectively, for a per share purchase price of $11.06 per share and an aggregate purchase price of $66,360; $409,220 and $1,493,100, respectively, under the Company's 2020 Employee Stock Purchase Plan, adopted on July 16, 2020, as amended (the "2020 ESPP"). The 2020 ESPP afforded certain employees and directors of the Company selected by the Chief Executive Officer of the Company the opportunity to purchase shares of common stock for the greater of $10.00 per share and the fair market value of a share on the date of purchase.

Our board of directors adopted the BKV Corporation Non-Employee Director Compensation Program (the "Non-Employee Director Compensation Program") which provides that, beginning on September 1, 2022, our non-employee directors will be compensated as follows:

- Each non-employee director, other than a non-employee director who serves as chairman of the board, will be entitled to receive an annual cash retainer of $75,000, and any non-employee director serving as the chairman of the board will be entitled to receive an annual cash retainer of $137,500, each of which will be paid in quarterly installments, based on calendar quarters, in arrears on a prorated basis;
- Members of our Audit & Risks Committee (other than the chairperson thereof) will be entitled to receive an additional cash retainer of $10,000, and the chairperson of the Audit & Risks Committee will be entitled to receive an additional cash retainer of $20,000, each paid in quarterly installments, based on calendar quarters, in arrears on a prorated basis;
- Members of our Compensation Committee and Governance Committee (other than the chairpersons thereof) will be entitled to receive an additional cash retainer of $5,000, and the chairperson of the Compensation Committee and chairperson of the Governance Committee will be entitled to receive an additional cash retainer of $15,000, each paid in quarterly installments, based on calendar quarters, in arrears on a prorated basis;
- Each non-employee director who is re-elected to serve, or will continue serving as a non-employee director immediately following any annual meeting of the Company's stockholders, will receive an annual grant of RSUs on the date of the Company's annual shareholder meeting with a grant date value of $140,000, if such non-employee director will not serving as the chairman of the board, or $202,500 if such non-employee director will serve as the chairman of the board, which will vest on the day prior to the first annual meeting of the Company's stockholders following the date the RSUs are granted, subject to the non-employee director's continued service; and
- Each non-employee director will be reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board or any of its committees.

Because the Non-Employee Director Compensation Program was adopted mid-term, compensation payable thereunder will be pro-rated based on the non-employee director's service over the period beginning on the day the Non-Employee Director Compensation Program became effective through the day prior to the estimated date of the next annual meeting of the Company's stockholders. To the extent the 2022 Plan has not become effective prior to such meeting, cash will be paid in lieu of the RSU awards. Messrs. C. Vongkusolkit, Dayananda, Mekavichai, Sirisaengtaksin and S. Vongkusolkit and Ms. Chaimongkol have waived their participation in the Non-Employee Director Compensation Plan, and therefore will not receive any compensation payable thereunder.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock immediately following the completion of this offering by (i) each NEO and director of the Company, (ii) all executive officers and directors of the Company as a group; and (iii) each person known to the Company to own beneficially more than 5% of any class of our voting securities. Except as otherwise indicated, (a) the persons or entities identified in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them and (b) the current directors and executive officers have not pledged any of such shares as security. All information with respect to beneficial ownership has been furnished by the respective 5% or more stockholders, directors or executive officers, as the case may be.

The following information has been presented in accordance with the SEC's rules and is not necessarily indicative of beneficial ownership for any other purpose. Under the SEC's rules, beneficial ownership of a class of capital stock as of any date includes any shares of that class as to which a person, directly or indirectly, has or shares voting power or investment power as of that date and also any shares as to which a person has the right to acquire sole or shared voting or investment power as of or within 60 days after that date through the exercise of any stock option, warrant or other right (including any conversion or redemption right).

We have based our calculation of the percentage of beneficial ownership prior to this offering on 117,325,797 shares of our common stock outstanding. We have based our calculation of the percentage of beneficial ownership after this offering on shares of our common stock outstanding immediately following the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional shares.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o BKV Corporation, 1200 17th Street, Suite 2100, Denver, Colorado 80202.

	Beneficial Ownership Before the Offering			Beneficial Ownership After the Offering		
	Common Stock		Total Voting Power Before the Offering	Common Stock		Total Voting Power After the Offering
Name of Beneficial Owner	Shares	%	%	Shares	%	%
Named Executive Officers and Directors:						
Christopher P. Kalnin	3,599,306[1]	3.1%	3.1%			
John T. Jimenez	24,202[2]	*	*			
Eric S Jacobsen	54,283[3]	*	*			
Somruedee Chaimongkol	—	—%	—%			
Joseph R. Davis	46,000	*	*			
Akaraphong Dayananda	—	—%	—%			
Carla S. Mashinski	—	—%	—%			
Thiti Mekavichai	37,000	*	*			
Charles C. Miller III	175,000	*	*			
Sunit S. Patel	—	—%	—%			
Anon Sirisaengtaksin	—	—%	—%			
Chanin Vongkusolkit	—	—%	—%			
Sinon Vongkusolkit	—	—%	—%			
All executive officers and directors as a group (16 persons)	4,292,460	3.7%	3.7%			
5% Stockholders:						
Banpu North America Corporation [4]	112,755,229	96.1%	96.1%			

* Less than 1%.

(1) Includes 48,884 shares of our common stock underlying outstanding TRSUs that will vest within 60 days of the date of this prospectus and 1,751,509 shares of our common stock held by Mr. Kalnin's spouse. Does not include 1,825,040 shares of our common stock underlying outstanding PRSUs (at maximum payout) that are subject to vesting to the extent that performance measures are achieved. In addition, Mr. Kalnin will receive 73,330 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(2) Does not include 865,200 shares of our common stock underlying outstanding PRSUs (at maximum payout) that are subject to vesting to the extent that performance measures are achieved. In addition, Mr. Jimenez will receive 57,939 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(3) Includes 27,750 shares of our common stock underlying outstanding TRSUs that will vest within 60 days of the date of this prospectus. Does not include 1,036,000 shares of our common stock underlying outstanding PRSUs (at maximum payout) that are subject to vesting to the extent that performance measures are achieved. In addition, Mr. Jacobsen will receive 41,625 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(4) Approximately 96.1% of our outstanding shares of common stock are currently owned by BNAC, a Delaware corporation wholly owned by BOG Co., Ltd., a wholly owned subsidiary of Banpu, a public company listed on the Stock Exchange of Thailand and the ultimate parent company of BKV Corporation, BNAC, Banpu Power and BPPUS. The principal address of Banpu is 27th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok, Thailand.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, director nominees, executive officers or beneficial holders of more than 5% of any class of our voting securities, or any immediate family member of any such person, had, or will have, a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting these criteria to which we have been or will be a party other than compensation arrangements, which are described where required under "*Executive Compensation*."

Stockholders' Agreement

We are party to a stockholders' agreement, dated as of May 1, 2020, with certain of our stockholders, including BNAC and Chris Kalnin. Our existing stockholders' agreement will be terminated prior to the completion of this offering.

Additionally, in connection with the closing of this offering, we will enter into our Stockholders' Agreement with BNAC. Pursuant to our Stockholders' Agreement, for so long as BNAC and Banpu beneficially own 10% or more of our voting stock, BNAC will be entitled to designate for nomination to our board of directors a number of individuals approximately proportionate to such beneficial ownership, provided that (i) from the completion of this offering until the first anniversary of the completion of this offering, at least three board seats will not be BNAC designees, (ii) from and after the first anniversary of the completion of this offering until the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, at least four board seats will not be BNAC designees, and (iii) from and after the first date on which BNAC and Banpu beneficially own 50% or less of our voting stock, a number of board seats equal to the minimum number of directors that would constitute a majority of the total number of directors comprising our board of directors will not be BNAC designees. Under our Stockholders' Agreement, we will agree to use our best efforts to cause the election of the individuals nominated by BNAC to our board of directors, including nominating such individuals to be elected as a director, recommending their election and soliciting proxies or consents in favor of their election. Our Stockholders' Agreement also provides that we and BNAC shall, to the extent permitted by law, take actions to cause our Chief Executive Officer to be included in our board of directors.

In addition, for so long as BNAC and its affiliates beneficially own shares of our voting stock representing at least 25% of our total voting power, BNAC will have the right to designate the chairman of our board of directors from among its designees. Our Stockholders' Agreement will also provide BNAC with certain information rights for so long as it continues to own shares of our voting stock representing at least 25% of our voting power. Further, we may not amend our charter or our bylaws in a manner inconsistent with the rights granted to BNAC pursuant to our Stockholders' Agreement without BNAC's consent.

Our Stockholders' Agreement will terminate on the earlier to occur of (i) such time as BNAC is no longer entitled to designate a director pursuant to our Stockholders' Agreement (except that the registration rights discussed below will survive and continue until BNAC and its affiliates no longer hold any shares of our common stock constituting registrable securities (as defined in our Stockholders' Agreement)) and (ii) the delivery of written notice by BNAC to us requesting termination of our Stockholders' Agreement.

BKV-BPP Power Joint Venture

BKV-BPP Power is jointly controlled by us and BPPUS through a board of directors (the "BKV-BPP board") consisting of eight members, four of whom are appointed by us and four of whom are appointed by BPPUS. We account for BKV-BPP Power using the equity method of accounting.

In November 2021, BKV-BPP Power acquired Temple I for an aggregate purchase price of $430.0 million. BKV-BPP Power was formed in July 2021 for the purpose of purchasing and operating Temple I and is a joint venture owned 50% by us and 50% by BPPUS, a wholly owned subsidiary of Banpu Power.

In connection with the purchase of Temple I, we made a capital contribution to BKV-BPP Power in the amount of $87.0 million and BPPUS made a capital contribution to BKV-BPP Power in the amount of $87.0 million.

BKV-BPP Loan Agreements

On October 14, 2021, BKV-BPP Power entered into a Loan Agreement (the "$141 Million Banpu Loan Agreement") with BNAC, which allowed for a single drawdown in the amount of $141.0 million. On November 1, 2021, BKV-BPP Power borrowed $141.0 million for the purpose of acquiring Temple I and working capital.

On October 15, 2021, BKV-BPP Power entered into a Loan Agreement (the "141 Million BPPUS Loan Agreement" and, together with the $141 Million Banpu Loan Agreement, the "BKV-BPP Loan Agreements") with BPPUS, which allowed for a single drawdown in the amount of $141.0 million. On November 21, 2021, BKV-BPP Power borrowed $141.0 million for the purpose of acquiring Temple I and working capital.

BKV-BPP Power's payment obligations under the BKV-BPP Loan Agreements are senior unsecured indebtedness. The BKV-BPP Loan Agreements bear interest at six-month LIBOR plus 5.25% per annum. Interest on the loans is payable on a semi-annual basis, and the loans will mature on November 1, 2023. BKV-BPP is permitted to prepay the loans at any time, with no prepayment premium. The BKV-BPP Loan Agreements include covenants that, among other things, prohibit BKV-BPP from merging, incurring liens or incurring any additional indebtedness or guarantees. The BKV-BPP Loan Agreements include financial covenants that require BKV-BPP to maintain a minimum net worth (as defined in the BKV-BPP Loan Agreements, but generally meaning total assets minus total liabilities). In the $141 Million Banpu Loan Agreement, the minimum net worth requirement is $120.0 million and in the $141 Million BPPUS Loan Agreement, the minimum net worth requirement is $40.0 million. Under the BKV-BPP Loan Agreements, BNAC and BPPUS have no recourse to us with respect to any amounts owed to them thereunder and we are not liable in any manner (and are not required to provide security) for any obligations owed to them thereunder.

BKV-BPP Power Limited Liability Company Agreement

We and BPPUS are each a party to the BKV-BPP Power LLC Agreement governing the BKV-BPP Power Joint Venture, which, among other things, provides that a general manager appointed by the BKV-BPP board will have the power to manage and administer the business and affairs of BKV-BPP Power, subject to specified matters reserved for approval by the BKV-BPP board. The appointment and removal of the general manager must be approved by both the BKV-BPP board and BPPUS. Transfer or encumbrance of a party's interest in BKV-BPP Power is permitted without prior approval of the other party or the BKV-BPP board. However, no transfer will be permitted if the transfer: (A) would subject BKV-BPP Power to U.S. federal securities law reporting requirements, (B) would cause BKV-BPP Power to lose its status as a U.S. partnership for federal income tax purposes or will cause BKV-BPP Power to be classified as a "publicly traded partnership," (C) would violate, give rise to a default under or cause any payment to become due under any credit agreement, guaranty, or similar credit document or any other material contract to which BKV-BPP Power or any affiliate is bound, or (D) occurs prior to the repayment by BKV-BPP Power of all loans and other amounts outstanding under the term loans.

In the event that either party admits in writing that it is unable to perform its obligations (including any obligation to provide additional capital contributions) under the BKV-BPP Power LLC Agreement, the non-defaulting party will be entitled to (i) sell the assets of the joint venture and dissolve the joint venture on reasonable terms deemed acceptable to the BKV-BPP board, (ii) obtain specific performance of the non-defaulting party's obligations, and/or (iii) exercise any other right or remedy provided in law or in equity.

The BKV-BPP board will determine the amount and timing of distributions of operating cash flow (which will be done no less frequently than once per quarter) and net capital proceeds (which will be distributed within three business days after becoming available for distribution). All distributions will be made on a pro-rata basis to us and BPPUS. As of September 30, 2022, no distributions have been made by BKV-BPP Power. Additional cash capital contributions will be required to be made by us and by BPPUS on

a pro-rata basis upon 30 days written notice either by us or by BPPUS; provided that the additional contributions must be expended on items included in the annual approved budget, items in response to an emergency in the event that BKV-BPP Power does not have sufficient cash reserves to address such emergency, or any other matter approved by the BKV-BPP board. Otherwise, neither us nor BPPUS will be required to provide additional capital contributions without consent.

Major decisions and significant activities of BKV-BPP Power are reserved for approval by at least a majority of the members of the BKV-BPP board, such as, among other things, any merger, consolidation, amalgamation, conversion of BKV-BPP or any of its subsidiaries, into another form or entity or other business combination of any nature, wind up, the dissolution, liquidation, commencement or any filing or petition for a voluntary bankruptcy, reorganization, debt arrangement involving BKV-BPP Power, any plan to or initial sale of BKV-BPP Power or other equity interests to the public, any amendments, restatements or revocations of its organizational documents, execution, amendment or termination of a material contract, and any amendment to or deviation from the dividend policy of the joint venture or any of its subsidiaries. Under the terms of the BKV-BPP Power LLC Agreement:

- we do not have the power to unilaterally cause BKV-BPP Power to make distributions;
- we may be required to make additional capital contributions to fund items approved in the annual budget or other matters approved by the board of BKV-BPP Power at the request of BPPUS, which would reduce the amount of cash otherwise available for dividend payments by us on our common stock or require us to incur additional indebtedness; and
- BKV-BPP Power may incur additional indebtedness in an amount greater than $1,500,000 if approved by the board of BKV-BPP Power, which debt payments would reduce the amount of cash that might otherwise be available for distributions to us.

In December 2021, we entered into an Administrative Service Agreement (the “Administrative Services Agreement”) with BKV-BPP Power. Under the Administrative Service Agreement, we provide certain operational, accounting, tax and other services as required by the Administrative Services Agreement and in return receive an annual fee of $2.6 million until December 1, 2022, with options to extend. In addition to the annual fee, we are entitled to receive reimbursement for all (i) reasonable, ordinary and necessary out-of-pocket expenses actually incurred in connection with travel, (ii) actual costs of audits, legal fees, tax return preparations and other third-party professional fees approved by BKV-BPP Power and (iii) reasonable, ordinary and necessary out-of-pocket expenses actually incurred by us in connection with the services provided by us under the Administrative Services Agreement. During the nine months ended September 30, 2022 and the year ended December 31, 2021, we recognized $2.0 million and $0.2 million, respectively, of revenues related to the services provided under the Administrative Services Agreement.

Loan Agreements

Intercompany Loan Agreements

On December 17, 2019, BKV O&G entered into the $10 Million Loan Agreement with BNAC, which allowed for a single drawdown in the amount of $10.0 million. On June 23, 2020, we entered into a novation agreement with BKV O&G and BNAC, which transferred all of BKV O&G’s rights and obligations under the $10 Million Loan Agreement to us. Also on June 23, 2020, we entered into the First Amendment to the Loan Agreement. On July 1, 2020, we borrowed $10.0 million thereunder for working capital purposes. During the year ended December 31, 2020, we paid $0.2 million in interest on the loan, and on December 31, 2020, we repaid $5.0 million of the outstanding principal amount of the loan. During the year ended December 31, 2021, we paid $0.1 million in interest on the loan and repaid the remaining outstanding principal amount of the loan in full. The First Amendment to $10 Million Loan Agreement terminated on June 20, 2021.

On September 28, 2020, we borrowed $119.0 million under the $119 Million Loan Agreement with BNAC to partially fund the Devon Barnett Acquisition and for working capital. During the year ended December 31, 2020, we paid $1.5 million in interest on the loan, and on December 16, 2020, we repaid $100.0 million of the outstanding principal amount of the loan. During the year ended December 31, 2021, we paid $0.2 million in interest on the loan, and on March 15, 2021, we repaid the remaining outstanding

principal amount of the loan in full. The $119 Million Loan Agreement terminated concurrently with repayment of the remaining principal amount.

On November 8, 2021, we borrowed $50.0 million under the $50 Million Loan Agreement with BNAC. On January 11, 2022, we repaid $15.0 million of the outstanding principal amount of the loan. On June 1, 2022, we paid $1.3 million in interest on the loan and repaid the remaining $35.0 million of the outstanding principal amount of the loan in full. The $50 Million Loan Agreement terminated concurrently with repayment of the remaining principal amount.

For additional information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Intercompany Loan Agreements*."

Subordinated Intercompany Loan Agreements

On October 14, 2021, we borrowed $116.0 million under the $116 Million Loan Agreement with BNAC to redeem all of the outstanding preferred and common stock of the company owned by OCM BKV Holdings, LLC, an affiliate of Oaktree Capital Management L.P. Following such redemption, we do not have any issued and outstanding preferred stock. On June 15, 2022, we entered into the $116 Million A&R Loan Agreement, which amended and restated the $116 Million Loan Agreement to, among other things, subordinate the $116.0 million term loan owed to BNAC thereunder to the term loans we borrowed under the Term Loan Credit Agreement. On August 24, 2022, BNAC entered into a Subordination Agreement with Bangkok Bank Public Company Limited, New York Branch, which subordinated the $116.0 million term loan owed to BNAC to the revolving loans at any time outstanding under the Revolving Credit Agreement (the "August 2022 Subordination Agreement"). On September 16, 2022, we repaid the full $116.0 million balance of the loan.

On March 10, 2022, we borrowed $75.0 million under the $75 Million Loan Agreement with BNAC to fund the deposit for the Exxon Barnett Acquisition. On June 15, 2022, we entered into the $75 Million A&R Loan Agreement, which amended and restated the $75 Million Loan Agreement to, among other things, subordinate the $75.0 million term loan owed to BNAC thereunder to the term loans we borrowed under the Term Loan Credit Agreement. The August 2022 Subordination Agreement provides for the subordination of the $75.0 million term loan owed to BNAC thereunder to the revolving loans at any time outstanding under the Revolving Credit Agreement. We intend to use a portion of the net proceeds from this offering to repay in full the $75 Million A&R Loan Agreement.

For additional information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities — Subordinated Intercompany Loan Agreements*."

Tax Sharing Agreement

Since our inception, BNAC has owned, directly and indirectly, in excess of 80% of the outstanding shares of our common stock, with the result that we have been included in BNAC's consolidated federal income tax group (as well as in certain consolidated, combined and unitary state and local income tax returns filed by BNAC). If and when BNAC's ownership of our common stock falls below 80%, we will cease to be part of BNAC's consolidated federal income tax group (a "deconsolidation event"). We are party to a Tax Sharing Agreement, dated as of May 1, 2020 (the "Existing Tax Sharing Agreement"), with BNAC, providing for payment by us to BNAC of the amounts payable by us in respect of U.S. federal income taxes and certain state and local taxes, and for certain payments by BNAC to us. We made no payments to BNAC under the Existing Tax Sharing Agreement in 2020, 2021 and as of September 30, 2022.

At the completion of this offering, we anticipate BNAC will own less than 80% of the outstanding shares of our common stock and, as a result, we will generally be deconsolidated from BNAC for federal and, in most cases, state, income tax purposes for periods beginning after completion of the offering. In anticipation of this offering, we will enter into an Amended and Restated Tax Sharing Agreement with BNAC, which sets forth the principles and responsibilities (i) governing the allocation of consolidated U.S. federal income tax liabilities and consolidated, combined and unitary state and local income tax liabilities

between us and BNAC during the periods in which we have been and are included in any consolidated or combined income tax return filed by BNAC, (ii) specifying the allocation of tax attributes and tax liabilities in connection with deconsolidation and (iii) setting forth agreements with respect to certain other tax matters.

The Amended and Restated Tax Sharing Agreement contains provisions that we believe are customary for tax sharing agreements between members of a consolidated group. In particular, we make payments to BNAC in respect of our allocable share of the U.S. federal income consolidated tax liability and state and local combined tax liability, in each case as determined on a separate return basis. In addition, we are compensated for the use of our net operating losses and other tax assets to the extent such assets reduce the U.S. federal income consolidated tax liability or state and local combined tax liability, as applicable, during the periods in which we have been and are included in any consolidated or combined income tax return filed by BNAC. The Amended and Restated Tax Sharing Agreement also includes customary indemnification clauses and survives until all obligations and liabilities of the parties arising under the agreement are satisfied.

Registration Rights

Our Stockholders' Agreement will provide BNAC and its affiliates with the right, in certain circumstances, to require us to register their shares of our common stock constituting registrable securities under the Securities Act for sale into the public markets and with certain piggyback rights, as described below. Our Stockholders' Agreement will also provide that we will pay certain expenses of BNAC and its affiliates relating to such registrations and indemnify them against certain liabilities that may arise under the Securities Act.

Demand Rights/Shelf Registration Rights

Subject to certain limitations, following the date that is six months after the consummation of this offering, BNAC and its affiliates will have the right, by delivering written notice to us, to require us to register the number of their registrable securities requested under the Securities Act. In no event later than 45 days after receiving a valid demand request, we are required to file or confidentially submit, at our discretion, with the SEC a registration statement covering all of the registrable securities covered by such demand request, subject to the limitations discussed below. We will not be obligated to effect more than two such registered offerings in any twelve-month period.

Upon the delivery of written notice to us by BNAC and its affiliates from time to time after a shelf registration statement has been declared effective by the SEC, we will facilitate a takedown of registrable securities off of an effective shelf registration statement. We will not be required to effect (i) an underwritten shelf takedown unless the offering includes securities with a total offering price (including piggyback securities and before deducting underwriting discounts) reasonably expected to exceed, in the aggregate, $5.0 million and (ii) more than two offerings demanded pursuant to this paragraph or the preceding paragraph in any twelve-month period.

In addition, if we are eligible to file a shelf registration statement on Form S-3, BNAC and its affiliates can request that we register their registrable securities for resale on a shelf registration statement.

Piggyback Rights

BNAC and its affiliates will be entitled to request to participate in, or "piggyback" on, registrations of common stock for sale by us or underwritten shelf takedowns. This piggyback right does not apply to, among other things, a registration relating to our employee benefit plans, a registration on Form S-4 or Form S-8 (or any similar successor forms) or a registration where the registrable securities are not being sold for cash.

Conditions and Limitations

The rights outlined above will be subject to conditions and limitations, including the right of the underwriters to limit the number of shares of our common stock to be included in a registration statement and our right to postpone or suspend a registration statement under specified circumstances.

Indemnification Agreements with our Directors and Officers

We intend to enter into indemnification agreements, to be effective upon the completion of this offering, with each of our directors and officers. The indemnification agreements and our governing documents will require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. Subject to certain limitations, the indemnification agreements and our governing documents will also require us to advance expenses incurred by our directors and officers. For more information regarding these agreements, see "*Description of Capital Stock — Limitations of Liability and Indemnification*."

Policies and Procedures Regarding Related Party Transactions

Upon completion of this offering, we expect that our board of directors will adopt a new written Code of Business Conduct and Ethics that complies with all applicable requirements of the SEC and NYSE and that contains conflict of interest policies governing transactions involving any director, executive officer or beneficial owner of more than 5% of any class of our voting securities that could be deemed to present a conflict of interest.

Upon completion of this offering, we expect that our board of directors will adopt a written related party transactions policy, pursuant to which our Audit & Risks Committee will be responsible for reviewing and either approving, ratifying or disapproving such transactions with our directors, officers or beneficial owners of more than 5% of any class of our voting securities, or any immediate family member of any of the foregoing persons. In considering a related party transaction, our Audit & Risks Committee will take into account relevant facts and circumstances relating to whether the transaction is in the best interests of the Company, including the following:

- the materiality of the transaction to the related party and the Company;
- the business purpose for and reasonableness of the transaction; and
- whether the transaction is comparable to a transaction that could be available with an unrelated party or is on terms that the Company offers generally to persons who are not related parties.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock and of our governing documents, as each will be in effect upon the completion of this offering. For a complete description of the matters set forth in this section titled "*Description of Capital Stock*," you should refer to our governing documents, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Upon completion of this offering, our authorized capital stock will consist of 500,000,000 shares of common stock, $0.01 par value per share, of which shares (or shares if the underwriters exercise in full their option to purchase additional shares) will be issued and outstanding and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares will be issued and outstanding. In addition, 10,000,000 shares of our common stock will be reserved for issuance pursuant to our 2022 Plan, including shares of common stock that may be issued upon vesting of equity awards that we expect to be granted in connection with this offering, and 1,000,000 shares of common stock will be available for purchase by employees pursuant to our ESPP. See "*Executive Compensation — BKV Corporation 2022 Equity and Incentive Compensation Plan" and "Executive Compensation — BKV Corporation Employee Stock Purchase Plan*."

BNAC owns approximately 96.1% of our common stock.

Common Stock

Holders of shares of our common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors elected by our stockholders generally. Holders of our common stock do not have cumulative voting rights in the election of directors. Subject to certain nomination rights of BNAC under our Stockholders' Agreement, holders of our common stock will be entitled to elect all directors to our board of directors. See "*Certain Relationships and Related Party Transactions — Stockholders' Agreement* ."

Holders of shares of our common stock are entitled to receive dividends when, as and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. See "*Dividend Policy*."

Upon our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our common stock will be entitled to receive pro rata our remaining assets available for distribution.

All shares of our common stock that will be outstanding at the time of the completion of the offering will be fully paid and non-assessable. Our common stock will not be subject to further calls or assessments by us. Holders of shares of our common stock do not have preemptive, subscription, redemption or conversion rights. There will be no redemption or sinking fund provisions applicable to our common stock. The rights powers, preferences and privileges of our common stock will be subject to those of the holders of any shares of our preferred stock or any other series or class of stock we may authorize and issue in the future.

Preferred Stock

No shares of preferred stock will be issued or outstanding immediately after the offering contemplated by this prospectus. Our certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or any stock exchange, the authorized shares of preferred stock will be available for issuance without further action by the holders of our common stock. Our board of directors is able to determine, with respect to any series of preferred stock, the powers (including voting powers), preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, including, without limitation:

- the designation of the series;
- the number of shares of the series, which our board of directors may, except where otherwise provided in the preferred stock designation, increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares then outstanding);
- whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;
- the dates at which dividends, if any, will be payable;
- the redemption or repurchase rights and price or prices, if any, for shares of the series;
- the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;
- the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs;
- whether the shares of the series will be convertible into shares of any other class or series, or any other security, of us or any other entity, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;
- restrictions on the issuance of shares of the same series or of any other class or series; and
- the voting rights, if any, of the holders of the series.

Dividends

The DGCL permits a corporation to declare and pay dividends on shares of its capital stock out of "surplus" or, if there is no "surplus," out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. "Surplus" is defined as the excess of the net assets of the corporation over the amount determined to be the capital of the corporation by its board of directors. The capital of the corporation is typically calculated to be (and cannot be less than) the aggregate par value of all issued shares of capital stock. Net assets equals the fair value of the total assets minus total liabilities. The DGCL also provides that dividends may not be paid out of net profits if, after the payment of the dividend, remaining capital would be less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Declaration and payment of any dividend will be subject to the discretion of our board of directors. See "*Dividend Policy*."

Annual Stockholder Meetings

Our bylaws provide that annual stockholder meetings will be held at a date, time and place, if any, as determined by our board of directors or a duly authorized committee thereof. To the extent permitted under applicable law, we may conduct meetings by remote communications, including by webcast.

Anti-Takeover Provisions

Our governing documents and the DGCL contain provisions, which are summarized in the following paragraphs, that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile or abusive change of control and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of the Company by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of common stock held by stockholders.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of shares that are authorized and available for issuance. However, the listing requirements of the NYSE, which would apply so long as our

common stock remains listed on the NYSE, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power of our capital stock or then outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

Our board of directors may generally issue shares of one or more series of preferred stock on terms calculated to discourage, delay or prevent a change of control of the Company or the removal of our management. Moreover, our authorized but unissued shares of preferred stock will be available for future issuances in one or more series without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, to facilitate acquisitions and employee benefit plans.

One of the effects of the existence of authorized and unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Classified Board of Directors

Our certificate of incorporation provides that our board of directors will be divided into three classes of directors, with each class to be as equal in number as possible, and with the directors serving staggered three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our certificate of incorporation provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the total number of directors will be determined from time to time by the affirmative vote of a majority of the total number of directors then in office.

Delaware Law

We will be subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. Section 203 of the DGCL provides that, subject to exceptions specified therein, an “interested stockholder” of a Delaware corporation shall not engage in any “business combination,” including general mergers or consolidations or acquisitions of additional shares of the corporation, with the corporation for a three-year period following the time that such stockholder becomes an interested stockholder unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an “interested stockholder,” the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding specified shares); or
- at or subsequent to such time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66⅔% of the outstanding voting stock not owned by the interested stockholder.

Under Section 203 of the DGCL, the restrictions described above also do not apply to specified business combinations proposed by an interested stockholder following the announcement or notification of one of specified transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation’s directors, if such transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Except as otherwise specified in Section 203 of the DGCL, an "interested stockholder" is defined to include:

- any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and
- the affiliates and associates of any such person.

Under some circumstances, Section 203 of the DGCL makes it more difficult for a person who is an interested stockholder to effect various business combinations with us for a three-year period following the time such stockholder became an interested stockholder.

A Delaware corporation may "opt out" of Section 203 of the DGCL with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from amendments approved by the holders of at least a majority of the corporation's outstanding voting shares. We do not intend to "opt out" of the provisions of Section 203 of the DGCL. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Removal of Directors; Vacancies and Newly Created Directorships

Under the DGCL, unless otherwise provided in our certificate of incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our certificate of incorporation provides that directors may be removed only for cause and only by the affirmative vote of the holders of at least 60% in voting power of all the then-outstanding shares of our stock entitled to vote generally in the election of directors, voting together as a single class. In addition, our certificate of incorporation provides that, subject to the rights granted to the holders of one or more series of preferred stock then outstanding or the rights granted under our Stockholders' Agreement, any vacancies on our board of directors, and any newly created directorships, will be filled by a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director, and not by the stockholders.

No Cumulative Voting

Under the DGCL, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our certificate of incorporation does not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors will be able to elect all our directors, subject to certain nomination rights of BNAC under our Stockholders' Agreement. See "*Certain Relationships and Related Party Transactions — Stockholders' Agreement*."

Special Stockholder Meetings

Our certificate of incorporation provides that, subject to the rights of the holders of any series of preferred stock, special meetings of our stockholders may be called at any time only by or at the direction of our board of directors by the affirmative vote of a majority of the total number of directors then in office, the chairman of our board of directors or our Chief Executive Officer, and may not be called by any other person or persons. Our bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deterring, delaying or discouraging hostile takeovers, or changes in control or management of the Company.

Director Nominations and Stockholder Proposals

Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder's notice must be received at our principal

executive offices not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary date of the immediately preceding annual meeting of stockholders. Our bylaws also specify requirements as to the form and content of a stockholder's notice. Our bylaws allow the chairman of the meeting at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of the Company.

Stockholder Action by Written Consent

Under the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is or are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our certificate of incorporation precludes stockholder action by written consent at any time when BNAC and its affiliates and subsidiaries (excluding the Company and its subsidiaries) own, in the aggregate, less than 35% in voting power of our stock entitled to vote generally in the election of directors.

Supermajority Provisions

Our governing documents provide that our board of directors is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, our bylaws by the affirmative vote of a majority of the total number of directors then in office, without the assent or vote of the stockholders in any matter not inconsistent with the laws of the State of Delaware or our certificate of incorporation. Any amendment, alteration, rescission or repeal of any provision of our bylaws, or the adoption of any provision inconsistent with our bylaws, by our stockholders requires the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class, in addition to any vote of the holders of any class or series of our capital stock required by our governing documents or applicable law or securities exchange rule or regulation.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage.

Our certificate of incorporation provides that, in addition to any vote required by our governing documents or applicable law or securities exchange rule or regulation, the following provisions in our certificate of incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith may be adopted, only by the affirmative vote of the holders of at least 66⅔% in voting power all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class (except that, in the case of any proposed amendment, alteration, repeal or rescission of, or the adoption of any provision inconsistent with, the following provisions, as to which the DGCL does not require the consent or vote of the stockholders or that is approved by at least 60% of our board of directors, then only the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of our stock entitled to vote thereon, voting together as a single class (in addition to any vote required by our governing documents or applicable law or securities exchange rule or regulation), will be required to amend, alter, repeal or rescind, or adopt any provision inconsistent with, the following provisions:

- the provisions requiring a 66⅔% supermajority vote for stockholders to amend our bylaws;
- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding removal of directors;
- the provisions regarding filling vacancies on our board of directors and newly-created directorships;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director or officer;

- the provisions regarding indemnification and advancement of expenses to certain indemnitees in connection with certain proceedings;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding competition and corporate opportunities; and
- the amendment provision requiring that the above provisions be amended with a majority vote or a 66⅔% supermajority vote, as applicable, of stockholders.

The combination of the classification of our board of directors, the lack of cumulative voting and the supermajority voting requirements in certain circumstances will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

These provisions may have the effect of deterring hostile takeovers or delaying or preventing changes in control of us or our management, such as a merger, reorganization or tender offer. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of the Company. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions are also intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in management.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of the Company. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Choice of Forums

Our certificate of incorporation provides that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of the Company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Company to the Company or our stockholders, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the DGCL or our governing documents, or (iv) action asserting a claim against the Company or any director, officer or employee of the Company, which claim is governed by the internal affairs doctrine. Notwithstanding the foregoing sentence, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under U.S. federal securities laws, including the Securities Act and the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company will be deemed to have notice of and consented to the forum provisions in our certificate of incorporation. However, the enforceability of similar forum provisions in other

companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be unenforceable.

Corporate Opportunity

The DGCL permits corporations to adopt provisions renouncing any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities that are presented to the corporation or its officers, directors or stockholders. Our certificate of incorporation, to the fullest extent permitted by law, renounces any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our officers, directors or stockholders or their respective affiliates, other than those officers, directors, stockholders or affiliates who are our or our subsidiaries' employees. Our certificate of incorporation provides that, to the fullest extent permitted by law, neither BNAC nor its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or his or her affiliates will have any duty to refrain from (i) engaging in the same or similar business activities or lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that BNAC or its affiliates or any non-employee director acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, himself or herself or its or his or her affiliates or for us or any of our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our certificate of incorporation does not renounce our interest in any corporate opportunity that is expressly offered to a non-employee director solely in his or her capacity as a director or officer of the Company. To the fullest extent permitted by law, a business opportunity will not be deemed to be a potential corporate opportunity for us if we would not be financially or legally able, or contractually permitted to undertake, the opportunity; the opportunity, from its nature, would not be in the line of our business; or the opportunity is one in which we would have no interest or reasonable expectancy.

Limitations of Liability and Indemnification

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our certificate of incorporation includes a provision that eliminates the personal liability of our directors and officers for monetary damages to the Company or its stockholders for any breach of fiduciary duty as a director or an officer, to the fullest extent permitted by the DGCL. The effect of these provisions is to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director or an officer for breach of fiduciary duty as a director or an officer, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any breaches of the duty of loyalty, any acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law, any authorization of dividends or stock redemptions or repurchases paid or made in violation of the DGCL, or for any transaction from which the director derived an improper personal benefit.

Our certificate of incorporation and our bylaws generally provide that we must defend, indemnify and advance expenses to our directors and officers to the fullest extent permitted by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, indemnification and advancement provisions in our certificate of incorporation and our bylaws may discourage stockholders from bringing a lawsuit against directors or officers for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Indemnification Agreements

We intend to enter into an indemnification agreement with each of our directors and officers as described in "*Certain Relationships and Related Person Transactions — Indemnification Agreements with our Directors and Officers*." Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

Registration Rights

Our Stockholders' Agreement will provide BNAC and its affiliates with the right, in certain circumstances, to require us to register their shares of our common stock constituting registrable securities under the Securities Act for sale into the public markets and with certain piggyback rights. Our Stockholders' Agreement will also provide that we will pay certain expenses of BNAC and its affiliates relating to such registrations and indemnify them against certain liabilities that may arise under the Securities Act. See "*Certain Relationships and Related Party Transactions — Registration Rights* " for a description of these registration rights.

Transfer Agent and Registrar

Upon completion of this offering, the transfer agent and registrar for our common stock will be Broadridge Corporate Issuer Solutions, Inc. The transfer agent and registrar's address is 51 Mercedes Way, Edgewood, New York 11717.

Listing

We intend to apply for the listing of our common stock on NYSE under the symbol "BKV."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our common stock in the public market, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time, which could make it more difficult for you to sell your shares of common stock at a time and price that you consider appropriate, and could impair our ability to raise equity capital or use our common stock as consideration for acquisitions of other businesses, investments or other corporate purposes in the future.

Sale of Restricted Securities

Immediately upon completion of this offering, there will be outstanding shares of common stock (or if the underwriters exercise in full their option to purchase additional shares). Of these outstanding shares, shares of our common stock to be sold in this offering (or shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without further restriction or registration under the Securities Act. Any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

BNAC's shares of common stock will be deemed "restricted securities" as defined in Rule 144 under the Securities Act. These restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 under the Securities Act. BNAC will agree to certain lock-up restrictions with the underwriters pursuant to which it will agree, subject to specific exceptions, not to sell any of our stock for 180 days following the date of this prospectus. See "— *Lock-Up Arrangements*" below and "*Underwriting*."

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus; and
- shares will be eligible for sale upon the expiration of the lock-up agreements beginning 180 days after the date of this prospectus and when permitted under Rule 144 or Rule 701.

Lock-Up Arrangements

In connection with the completion of this offering, BNAC and all of our directors and executive officers will enter into lock-up agreements with the underwriters pursuant to which they will agree not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock for a period of at least 180 days following the date of this prospectus, subject to certain exceptions. As a result of these contractual restrictions, shares of our common stock and the other securities subject to lock-up agreements will not be eligible for sale until these agreements expire or the restrictions are waived by the underwriters. The representatives of the underwriters may, in their discretion, release any of the securities subject to lock-up restrictions with the underwriters in whole or in part at any time. See "*Underwriting*."

Shares of our common stock which were issued in satisfaction of awards granted under the 2021 Plan are subject to resale restrictions. The holder may not, without the consent of the Company or the representatives of the underwriters (for 180 days from the date of the final prospectus), (1) sell, pledge, offer to sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock, or (2) enter into any

swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock. See "*Executive Compensation — BKV Corporation 2021 Long Term Incentive Plan*."

Rule 144

In general, under Rule 144 as in effect on the date of this prospectus, once we have been subject to public company reporting requirements for at least 90 days, a person who has beneficially owned shares proposed to be sold for at least six months, including the holding period of any prior owner other than an affiliate of us, and who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale, will be entitled to sell, upon expiration of the lock-up agreements described above, such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. Such a non-affiliated person who has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than an affiliate of us, will be entitled to sell these shares without limitation.

In general, under Rule 144, our affiliates or persons selling shares on behalf of our affiliates will be entitled to sell upon expiration of the 180-day lock-up period described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering (or shares if the underwriters elect to exercise in full their option to purchase additional shares); or
- the average weekly trading volume of our common stock on the NYSE during the four calendar weeks before a notice of the sale is filed on Form 144 with respect to such sale.

Sales by our affiliates or persons selling shares on behalf of our affiliates under Rule 144 also are subject to manner of sale and notice provisions and to the availability of public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Registration Statement on Form S-8

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act promptly after the completion of this offering to register shares of our common stock subject to equity-based incentive awards which were granted under the 2021 Plan, and which are reserved for future issuance under our 2022 Plan. See "*Executive Compensation — BKV Corporation 2021 Long Term Incentive Plan*" and "*Executive Compensation — BKV Corporation 2022 Equity and Incentive Compensation Plan*." The Form S-8 will also register shares of our common stock purchased under the BKV Corporation 2020 Employee Stock Purchase Plan and shares of our common stock reserved for future purchase under our 2022 Employee Stock Purchase Plan. See "*Executive Compensation — BKV Corporation Employee Stock Purchase Plan*." The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates and vesting restrictions. See "*Executive Compensation — BKV Corporation 2021 Long Term Incentive Plan,*" "*Executive Compensation — BKV Corporation 2022 Equity and Incentive Compensation Plan*" and "*Executive Compensation — BKV Corporation Employee Stock Purchase Plan*."

Registration Rights

Our Stockholders' Agreement will provide BNAC and its affiliates with the right, in certain circumstances, to require us to register their shares of our common stock constituting registrable securities under the Securities Act for sale into the public markets at any time following the date that is six months after the consummation of this offering. BNAC and its affiliates will also be entitled to certain piggyback rights with respect to future registrations or underwritten shelf takedowns, subject to certain limitations. "*Certain Relationships and Related Party Transactions — Registration Rights*" contains additional information regarding such rights.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the acquisition and holding of shares of our common stock by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

This summary is based on the provisions of ERISA and the Code (and related regulations and administrative and judicial interpretations) as of the date of this registration statement. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, regulations, rulings or pronouncements will not significantly modify the requirements summarized below. Any of these changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. This discussion is general in nature and is not intended to be all inclusive, nor should it be construed as investment or legal advice.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in shares of our common stock with a portion of the assets of any Plan, a fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the investment and determine whether the acquisition and holding of shares of our common stock is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code, or any Similar Law relating to the fiduciary's duties to the Plan, including, without limitation:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA and any other applicable Similar Laws;
- whether, in making the investment, the ERISA Plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA and any other applicable Similar Laws;
- whether the investment is permitted under the terms of the applicable documents governing the Plan;
- whether in the future there may be no market in which to sell or otherwise dispose of the shares of our common stock;
- whether the acquisition or holding of the shares of our common stock will constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code (see discussion under "— *Prohibited Transaction Issues*"); and
- whether the Plan will be considered to hold, as plan assets, (i) only shares of our common stock or (ii) an undivided interest in our underlying assets (see the discussion under "— *Plan Asset Issues*").

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction

may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to excise taxes, penalties and liabilities under ERISA and the Code. The acquisition and/or holding of shares of our common stock by an ERISA Plan with respect to which the issuer, the initial purchaser, or a guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Because of the foregoing, shares of our common stock should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Plan Asset Issues

Additionally, a fiduciary of a Plan should consider whether the Plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that we would become a fiduciary of the Plan and our operations would be subject to the regulatory restrictions of ERISA, including its prohibited transaction rules, as well as the prohibited transaction rules of the Code and any other applicable Similar Laws.

The Department of Labor (the "DOL") regulations provide guidance with respect to whether the assets of an entity in which ERISA Plans acquire equity interests would be deemed "plan assets" under some circumstances. Under these regulations, an entity's assets generally would not be considered to be "plan assets" if, among other things:

(a) the equity interests acquired by ERISA Plans are "publicly offered securities" (as defined in the DOL regulations) — *i.e.*, the equity interests are part of a class of securities that is widely held by 100 or more investors independent of the issuer and each other, are freely transferable, and are either registered under certain provisions of the federal securities laws or sold to the ERISA Plan as part of a public offering under certain conditions;

(b) the entity is an "operating company" (as defined in the DOL regulations) — *i.e.*, it is primarily engaged in the production or sale of a product or service, other than the investment of capital, either directly or through a majority-owned subsidiary or subsidiaries; or

(c) there is no significant investment by "benefit plan investors" (as defined in the DOL regulations) — *i.e.*, immediately after the most recent acquisition by an ERISA Plan of any equity interest in the entity, less than 25% of the total value of each class of equity interest (disregarding certain interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof) is held by ERISA Plans, individual retirement accounts and certain other Plans (but not including governmental plans, foreign plans and certain church plans), and entities whose underlying assets are deemed to include plan assets by reason of a Plan's investment in the entity.

Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring and/or holding shares of our common stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of shares of our common stock. Purchasers of shares of our common stock have the exclusive responsibility for ensuring that their acquisition and holding of shares of our common stock complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. The sale of shares of our common stock to a Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a general discussion of material U.S. federal income tax consequences to non-U.S. holders (as defined herein) with respect to the ownership and disposition of our common stock. This discussion applies only to non-U.S. holders that acquire our common stock in this offering and hold such stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes). This discussion is based on current provisions of the Code, U.S. Treasury regulations promulgated under the Code, and administrative rulings and court decisions in effect, all of which are subject to change at any time, possibly with retroactive effect. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below.

For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes, an entity or arrangement treated as a partnership or any of the following:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (1) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (as defined in Section 7701(a)(30) of the Code) has or have the authority to control all substantial decisions of the trust, or (2) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a "United States person."

This discussion is for general information only and does not address all aspects of U.S. federal income taxation that may be important to a non-U.S. holder in light of that holder's particular circumstances or that may be applicable to holders subject to special treatment under U.S. federal income tax law (including, for example, financial institutions, brokers or dealers in securities, traders in securities that elect mark-to-market treatment, insurance companies, controlled foreign corporations, passive investment companies, holders who acquire our common stock pursuant to the exercise of employee stock options or otherwise as compensation, entities or arrangements treated as partnerships for U.S. federal income tax purposes (and partners or beneficial owners therein), holders liable for the alternative minimum tax, certain former citizens or former long-term residents of the U.S., persons who hold or are deemed to hold our common stock as part of a hedge, straddle, constructive sale, conversion transaction or other risk-reduction transaction, persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the common stock to their financial statements under Section 451 of the Code, tax-qualified retirement plans, tax-exempt organizations, and governmental organizations, and "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds). In addition, this discussion does not address U.S. federal tax laws other than those pertaining to the U.S. federal income tax, nor does it address any aspects of the Medicare contribution tax on net investment income, or U.S. state or local or non-U.S. taxes. This discussion also does not specifically address any tax treaties. Accordingly, prospective investors should consult their own tax advisors regarding the U.S. federal, state, local, and non-U.S. income and other tax considerations of acquiring, holding and disposing of shares of our common stock.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the ownership and disposition of our common stock by such partnership.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO

CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS AND ANY APPLICABLE TAX TREATIES TO THEIR PARTICULAR SITUATIONS.

Distributions on Common Stock

At or prior to the closing of this offering, our board of directors will adopt a policy pursuant to which we intend to pay dividends to stockholders.

In general, any distributions we make to a non-U.S. holder with respect to shares of our common stock that constitute dividends for U.S. federal income tax purposes will be subject to U.S. withholding tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of the gross amount distributed, unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if required by an applicable income tax treaty, are attributable to a permanent establishment of the non-U.S. holder within the United States. A distribution will constitute a dividend for U.S. federal income tax purposes to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Any distribution not constituting a dividend will be treated as first reducing the adjusted basis in the non-U.S. holder's shares of our common stock, but not below zero, and, to the extent it exceeds the adjusted basis in the non-U.S. holder's shares of our common stock, as capital gain and will be treated as described below under "— *Sale, Exchange or Other Taxable Disposition of Common Stock* ." However, except to the extent that we elect (or the paying agent or other intermediary through which you hold your shares of common stock elects) to withhold with respect to the taxable portion of the distribution only, we (or the applicable paying agent or intermediary) must generally withhold on the entire distribution, in which case you generally would be entitled to a refund from the IRS by timely filing an appropriate claim for a refund, to the extent the withholding exceeds your tax liability with respect to the distribution.

A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate on dividends will be required (a) to provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) certifying under penalties of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. A non-U.S. holder that does not timely furnish the required documentation, but that is eligible for a lower rate of U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. Non-U.S. holders are urged to consult their own tax advisors regarding their possible entitlement to benefits under an applicable income tax treaty.

Dividends effectively connected with a non-U.S. holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to such non-U.S. holder's U.S. permanent establishment) generally will not be subject to U.S. withholding tax if the non-U.S. holder complies with applicable certification requirements. More particularly, to claim this exemption from U.S. withholding tax, the non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States. Such effectively connected dividends, although not subject to withholding tax (provided the IRS Form W-8ECI certification requirements are satisfied), generally will be subject to U.S. federal income tax on a net income basis, at the regular graduated rates applicable to U.S. persons. A non-U.S. holder that is a corporation may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its "effectively connected earnings and profits," subject to certain adjustments.

The foregoing is subject to the discussion below under "— *Information Reporting and Backup Withholding*" and "— *Foreign Account Tax Compliance Act* ."

Sale, Exchange or Other Taxable Disposition of Common Stock

Subject to the discussion below under "— *Information Reporting and Backup Withholding*" and "— *Foreign Account Tax Compliance Act* ," a non-U.S. holder will generally not be subject to U.S. federal

income or withholding tax with respect to gain recognized on the sale, exchange or other taxable disposition of our common stock unless:

- the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of such non-U.S. holder,
- the non-U.S. holder is a nonresident alien individual and is present in the United States for 183 days or more in the taxable year of the sale, exchange or other taxable disposition and certain other conditions are satisfied, or
- we are or have been a "United States real property holding corporation" ("USRPHC") for U.S. federal income tax purposes at any time within the shorter of the five-year period ending on the date of the disposition of the common stock and the non-U.S. holder's holding period, and certain other conditions are satisfied.

Gain described in the first bullet point above (*i.e.*, gain that is effectively connected with the conduct of a trade or business in the United States) generally will be subject to U.S. federal income tax, net of certain deductions, at the regular graduated rates applicable to U.S. persons. If the non-U.S. holder is a foreign corporation, the branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) also may apply to such effectively connected gain.

A non-U.S. holder described in the second bullet point above (*i.e.*, who is subject to U.S. federal income tax because the non-U.S. holder was present in the United States for 183 days or more during the taxable year of the sale, exchange or other taxable disposition of our common stock) will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified under an applicable income tax treaty) on the gain derived from such sale, exchange or other taxable disposition, which may be offset by U.S. source capital losses, provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we are currently, and expect to continue to be for the foreseeable future, a USRPHC (and the remainder of this discussion assumes we are and will be a USRPHC). However, if our common stock is "regularly traded on an established securities market" (as defined by the U.S. Treasury regulations), a non-U.S. holder will be taxed on gain recognized on the disposition of our common stock as a result of our status as a USRPHC only if the non-U.S. holder actually or constructively holds or held more than 5% of our common stock at any time during the five-year period ending on the date of disposition or, if shorter, during the entire period the non-U.S. holder has held our common stock. If our common stock were not considered to be regularly traded on an established securities market, all non-U.S. holders would be subject to U.S. federal income tax on the sale, exchange or other taxable disposition of our common stock and a 15% withholding tax would apply to the gross proceeds from such sale, exchange or other taxable disposition of our common stock by a non-U.S. holder. Such withholding tax is not an additional tax but, rather, is credited against the actual U.S. federal income taxes owed by the non-U.S. holder (and such non-U.S. holder may obtain a refund of any amounts so withheld which exceed the non-U.S. holder's actual U.S. federal income tax liability, if any, provided that the non-U.S. holder makes the necessary filings with the IRS in a timely manner).

Information Reporting and Backup Withholding

We (or the applicable paying agent or intermediary) must report annually to the IRS and to each non-U.S. holder the amount of distributions paid to, and the tax withheld (if any) with respect to, each non-U.S. holder of our common stock. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information also may be made available under the provisions of a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established.

U.S. backup withholding tax, at a rate that is currently 24%, is imposed on certain payments to persons that fail to furnish the information required under the U.S. information reporting rules. Dividends paid to a non-U.S. holder generally will be exempt from backup withholding if the non-U.S. holder provides a properly executed applicable IRS Form W-8, or otherwise establishes an exemption.

Under U.S. Treasury regulations, the payment of proceeds from the disposition of our common stock by a non-U.S. holder effected at a U.S. office of any broker (U.S. or non-U.S.), generally will be subject to information reporting and backup withholding, unless the beneficial owner certifies its status as a non-U.S. holder (generally by providing a properly executed applicable IRS Form W-8), or otherwise establishes an exemption. The payment of proceeds from the disposition of our common stock by a non-U.S. holder effected at a non-U.S. office of a broker that is neither a U.S. person nor a person having certain relationships with the United States generally will not be subject to backup withholding or information reporting. However, the payment of proceeds from a disposition of our common stock by a non-U.S. holder effected at a non-U.S. office of a broker that is a U.S. person or has certain relationships with the United States will generally be subject to information reporting, unless the beneficial owner certifies its status as a non-U.S. holder (generally by providing a properly executed applicable IRS Form W-8), or the broker has other documentary evidence in its files that the beneficial owner is a non-U.S. holder and certain other conditions are satisfied, or the beneficial owner otherwise establishes an exemption (and the broker has no knowledge or reason to know to the contrary). If the payment described in the preceding sentence is subject to information reporting, it will be subject to backup withholding if the broker has actual knowledge or reason to know that the payee is a U.S. person.

Backup withholding is not an additional tax but, rather, is credited against the actual U.S. federal income taxes owed by the non-U.S. holder. A non-U.S. holder may obtain a refund of any amounts withheld under the backup withholding rules which exceed the non-U.S. holder's actual U.S. federal income tax liability, if any, provided that the non-U.S. holder makes the necessary filings with the IRS in a timely manner.

Foreign Account Tax Compliance Act

Under Sections 1471 through 1474 of the Code and the U.S. Treasury regulations promulgated thereunder (collectively, "FATCA"), a U.S. federal withholding tax of 30% generally will be imposed on certain payments made to a "foreign financial institution" (as specifically defined under these rules) unless such institution enters into an agreement with the U.S. tax authorities to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution or meets other exceptions. Under FATCA and administrative guidance, a U.S. federal withholding tax of 30% generally also will be imposed on certain payments made to a "non-financial foreign entity" (as specifically defined under these rules) unless such entity provides the withholding agent with a certification identifying its direct and indirect U.S. owners or meets other exceptions. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing these withholding and reporting requirements may be subject to different rules.

These withholding taxes would be imposed on dividends with respect to our common stock to foreign financial institutions or non-financial foreign entities (including in their capacity as agents or custodians for beneficial owners of our common stock) that fail to satisfy the above requirements. Prior to the issuance of proposed U.S. Treasury regulations, withholding taxes under FATCA also would have applied to gross proceeds from the disposition of our common stock. However, the proposed U.S. Treasury regulations provide that such gross proceeds are generally not subject to withholding taxes under FATCA. Taxpayers (including withholding agents) may currently rely on these proposed U.S. Treasury regulations until they are revoked or final U.S. Treasury regulations are issued.

Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. Prospective non-U.S. holders should consult their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated as of the date of this prospectus (the "Underwriting Agreement"), we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC, BofA Securities, Inc. and Barclays Capital Inc. are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
BofA Securities, Inc.	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
Evercore Group L.L.C.	
Jefferies LLC	
Tudor, Pickering, Holt & Co. Securities, LLC	
Susquehanna Financial Group, LLLP	
SMBC Nikko Securities America, Inc.	
Total	

The Underwriting Agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The Underwriting Agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of up to $ per share. After the initial public offering the underwriters may change the public offering price and concession.

The following table summarizes the underwriting discounts and commissions payable by us to the underwriters in connection with this offering, assuming both no exercise and full exercise of the underwriters' over-allotment option.

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions payable by us	$	$	$	$

The expenses of this offering that have been paid or are payable by us are estimated to be approximately $ million (excluding underwriting discounts and commissions). We have also agreed to reimburse the underwriters for certain of their expenses incurred in connection with this offering in an amount up to $.

We have agreed that, subject to certain exceptions, we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable

for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of the representatives for a period of 180 days after the date of this prospectus.

The representatives of the underwriters may, in their discretion, release the shares of our common stock or other securities subject to the lock-up agreements described above in whole or in part at any time.

Our officers and directors and certain of our stockholders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of the representatives for a period of 180 days after the date of this prospectus, subject to certain exceptions.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

We intend to apply to list the shares of common stock on the NYSE under the symbol “BKV.”

In connection with the listing of the common stock on the NYSE, the underwriters will undertake to sell round lots of 100 shares or more to a minimum of 400 beneficial owners.

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations among us and the representatives and will not necessarily reflect the market price of the common stock following this offering. The principal factors that were considered in determining the initial public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of, and prospects for, the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development, results of operations and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot assure you that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to this offering or that an active trading market for the common stock will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close

out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing transaction or a syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for the issuer and its affiliates, for which they received, or may in the future receive, customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer or its affiliates. If the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates may hedge their credit exposure to us consistent with their customary risk management policies. Typically, the underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the shares of common stock offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the shares of common stock offered hereby. The underwriters and certain of their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

A prospectus in electronic format will be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

Notice to Prospective Investors in Canada

The common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale

of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the underwriter is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each an "EEA State"), no common stock has been offered or will be offered pursuant to the offering to the public in that EEA State prior to the publication of a prospectus in relation to the common stock which has been approved by the competent authority in that EEA State or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State, all in accordance with the EU Prospectus Regulation, except that it may make an offer to the public in that EEA State of any shares of common stock at any time under the following exemptions under the EU Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the EU Prospectus Regulation), subject to obtaining the prior consent of Credit Suisse Securities (USA) LLC for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the common stock shall require the Issuer or any underwriter to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the common stock in any EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of common stock, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

Notice to Prospective Investors in the United Kingdom

In relation to the United Kingdom, no shares of common stock have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the common stock which has been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that it may make an offer to the public in the United Kingdom of any shares of common stock at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the "FSMA"),

provided that no such offer of the common stock shall require the Issuer or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the United Kingdom, the offering is only addressed to, and is directed only at, "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation, who are also (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

For the purposes of this provision, the expression an "offer to the public" in relation to the common stock in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offering and any shares of common stock to be offered so as to enable an investor to decide to purchase or subscribe for any shares of common stock, and the expression "UK Prospectus Regulation" means the UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the securities may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the securities without disclosure to investors under Chapter 6D of the Corporations Act.

The securities applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring securities must observe such Australian on-sale restrictions. This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before

making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Switzerland

The common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "FinSA") and no application has or will be made to admit the common stock to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the common stock constitutes a prospectus pursuant to the FinSA, and neither this prospectus nor any other offering or marketing material relating to the common stock may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Hong Kong

The common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common stock may not be circulated or distributed, nor may the common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the shares of common stock are (A) prescribed capital markets products (as defined in the CMP Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Thailand

This prospectus does not, and is not intended to, constitute a public offering in Thailand. The common stock may not be offered or sold to persons in Thailand, unless such offering is made under the exemptions from approval and filing requirements under applicable laws, or under circumstances which do not constitute an offer for sale of the common stock to the public for the purposes of the Securities and Exchange Act of 1992 of Thailand, nor require approval from the Office of the Securities and Exchange Commission of Thailand.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust will not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.

LEGAL MATTERS

The validity of the common stock offered hereby and certain other legal matters in connection with this offering will be passed upon for us by Baker Botts L.L.P., Dallas, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Houston, Texas. Baker Botts L.L.P. has from time to time represented and may continue to represent BKV and some of its affiliates in connection with various legal matters.

EXPERTS

The consolidated financial statements of BKV Corporation as of December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP ("PwC"), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

In connection with this registration statement, PwC completed an independence assessment to evaluate the services and relationships with the Company and its affiliates that may bear on PwC's independence under the SEC and the PCAOB independence rules for an audit period commencing January 1, 2020. PwC informed the Company's Audit & Risks Committee that one of its member firms within PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity (a "PwC member firm"), provided non-audit services during the audit period to two sister entities under common control with BKV Corporation. The services that occurred from January 2020 to June 2021, which are inconsistent with the SEC and PCAOB independence rules, involved the provision of corporate secretarial services and the disbursement of incidental payments on behalf of client management. The fees for these services totaled approximately $8,500 and $10,000, respectively, for the years ended December 31, 2021 and 2020. The provision of corporate secretarial services and the incidental payments made on behalf of client management are in contravention of SEC Rule 2-01(c)(4)(vi) of Regulation S-X.

PwC informed the Company's Audit & Risks Committee of the facts and circumstances surrounding the impermissible services, noting that (i) the PwC member firm did not make any decisions or judgments on management's behalf, and management reviewed and approved all documentation prepared by the PwC member firm, (ii) no aspect of the financial results of the sister entities or the provision of the services is included in (or has any impact on) the financial results of the Company, (iii) the services were performed by persons who were not part of the PwC audit engagement team, and (iv) the fees for the services were not material to the Company, the sister entities, the PwC member firm, or PwC. Additionally, the services do not create a mutual or conflicting interest between PwC and the Company, do not place PwC in a position of auditing its own work, and do not place PwC in a position of being an advocate for the Company.

After considering the facts and circumstances, the Company's Audit & Risks Committee concurred with PwC's conclusion that, for the reasons described above, the impermissible services did not impair PwC's objectivity and impartiality with respect to the planning and execution of the audits of the Company's consolidated financial statements as of December 31, 2021 and 2020 and for each of the two years in the period ended December 31, 2021, and that no reasonable investor would conclude otherwise.

The statements of revenues and direct operating expenses of the Barnett Assets of XTO Energy Inc. and Barnett Gathering, LLC for the years ended December 31, 2021 and 2020 included in this prospectus have been so included in reliance on the report (which contained an explanatory paragraph relating to the basis of presentation of the statements of revenues and direct operating expenses as described in Note 1 to the financial statements) of PricewaterhouseCoopers LLP, independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Estimates of our natural gas reserves, related future net cash flows and the present values thereof related to our properties as of September 30, 2022 and December 31, 2021 and 2020 included elsewhere in this prospectus were based upon reserve reports prepared by independent petroleum engineers Ryder Scott Company, L.P. We have included these estimates in reliance on the authority of such firms as experts in such matters.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

The SEC maintains an internet website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at *www.sec.gov*. Our filings with the SEC, including the registration statement, are available to you for free on the SEC's internet website.

Upon completion of this offering, we will become subject to the informational and reporting requirements of the Exchange Act and, in accordance with those requirements, will file reports and proxy and information statements with the SEC. We intend to furnish to our stockholders our annual reports containing audited consolidated financial statements and the notes thereto certified by an independent public accounting firm.

We also maintain an internet website at *www.bkvcorp.com*. Information on or accessible through our website is not part of this prospectus.

INDEX TO FINANCIAL STATEMENTS

BKV CORPORATION

Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BKV Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BKV Corporation and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of stockholders' equity, partners' capital and mezzanine equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
August 12, 2022

We have served as the Company's auditor since 2020.

BKV CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 134,667	$ 17,445
Accounts receivable, net	104,143	79,454
Accounts receivable, related parties	3,498	—
Prepaid expenses	4,109	3,770
Inventory	4,975	2,878
Commodity derivative assets	9,986	15,484
Total current assets	261,378	119,031
Natural gas properties and equipment		
Developed properties	1,378,629	1,297,112
Undeveloped properties	16,835	13,265
Midstream assets	55,363	55,313
Accumulated depreciation, depletion, and amortization	(274,710)	(196,393)
Total natural gas properties, net	1,176,117	1,169,297
Other property and equipment, net	22,124	23,168
Commodity derivative assets	—	15
Right of use assets	14,233	9,860
Goodwill	18,417	18,417
Investment in joint venture	89,320	—
Deferred tax asset	35,504	—
Other noncurrent assets	3,735	2,704
Total assets	$1,620,828	$1,342,492
Liabilities, mezzanine equity and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 166,836	$ 16,930
Right of use liabilities	10,713	6,534
Contingent consideration payable	65,000	—
Commodity derivative liabilities	91,156	—
Income taxes payable to related party	30,660	1,217
Notes payable to related party	166,000	24,000
Total current liabilities	530,365	48,681
Asset retirement obligations	158,968	148,826
Contingent consideration	142,533	12,565
Other contingent liabilities	5,669	5,329
Commodity derivative liabilities	23,662	5,170
Right of use liabilities	4,692	4,604
Deferred tax liability	—	37,249
Total liabilities	865,889	262,424

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 31,	
	2021	2020
Commitments and contingencies (*Note 15*)		
Mezzanine equity		
Preferred stock, $10 par value; 80,000 authorized shares; 0 and 9,900 shares issued and outstanding at December 31, 2021 and 2020, respectively	—	94,924
Common stock – Minority ownership puttable shares, 4,357 authorized shares; 4,357 and 4,229 shares issued and outstanding at December 31, 2021 and 2020, respectively	49,841	42,288
Equity-based compensation	34,006	—
Total mezzanine equity	83,847	137,212
Stockholders' equity		
Common stock, $.01 par value; 300,000 authorized shares; 112,745 and 112,855 shares issued and outstanding at December 31, 2021 and 2020, respectively	1,132	1,129
Treasury stock, shares at cost; 385 and 0 shares at December 31, 2021 and 2020, respectively	(3,970)	—
Additional paid-in capital	933,622	968,500
Accumulated deficit	(259,692)	(26,773)
Total stockholders' equity	671,092	942,856
Total liabilities, mezzanine equity and stockholders' equity	$1,620,828	$1,342,492

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except per share amounts)

	Year Ended December 31,	
	2021	2020
Revenues and other operating income		
Natural gas, NGL and oil sales	$ 829,745	$115,043
Non-operated midstream revenues	6,917	7,458
Derivative (losses) gains, net	(383,847)	20,755
Marketing revenues	52,616	—
Other	251	33
Total revenues and other operating income	505,682	143,289
Operating expenses		
Lease operating and workover	88,105	31,260
Taxes other than income	45,650	5,151
Gathering and transportation	173,587	—
Accretion of asset retirement obligations	10,030	3,211
Depreciation, depletion and amortization	81,986	83,388
Exploration and impairment	34	560
General and administrative	85,740	29,442
Accretion of right of use liabilities	227	184
Total operating expenses	485,359	153,196
Income (loss) from operations	20,323	(9,907)
Other income and expense		
(Loss) gain on contingent consideration liabilities	(194,968)	7,135
Interest expense	(2,134)	(1,713)
Other income	872	—
Income from equity affiliates	910	—
Interest income	8	121
Loss before income taxes	(174,989)	(4,364)
Income tax benefit (expense)	40,526	(38,982)
Net loss and comprehensive loss attributable to BKV Corporation	(134,463)	(43,346)
Less accretion of preferred stock to redemption value	(3,745)	—
Less preferred stock dividends	(9,900)	(460)
Less deemed dividend on redemption of preferred stock	(22,606)	—
Net loss and comprehensive loss attributable to common stockholders	$(170,714)	$ (43,806)
Net loss and comprehensive loss per common share:		
Basic and diluted	$ (1.46)	$ (0.42)
Weighted average number of common shares outstanding:		
Basic and diluted	116,904	105,275

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	$(134,463)	$ (43,346)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	88,473	86,644
Equity-based compensation expense	30,387	—
Accretion of asset retirement obligations	10,030	3,211
Accretion of right of use liabilities	330	336
Deferred income tax (benefit) expense	(72,753)	37,750
Unrealized derivative losses (gains), net	115,161	(10,329)
Loss (gain) on contingent consideration liabilities	194,968	(7,135)
Income from equity affiliates	(910)	—
Loss on the sale of assets	48	—
Changes in operating assets and liabilities, net of effect of business acquired:		
Accounts receivable, net	(19,568)	(38,991)
Accounts receivable, related parties	(3,498)	—
Prepaid expenses	(339)	(1,628)
Inventory	(2,097)	(95)
Other noncurrent assets	(1,030)	92
Accounts payable and accrued liabilities	94,299	(25,221)
Commodity derivative settlements payable/receivable	38,130	(5,489)
Right of use liabilities	(7,313)	(3,910)
Income taxes payable to related party	29,443	1,217
Payable to related party	—	(511)
Asset retirement expenditures	(1,165)	—
Net cash provided by (used in) operating activities	358,133	(7,405)
Cash flows from investing activities:		
Investment in joint venture	(88,410)	—
Acquisition of natural gas properties	(2,528)	(501,712)
Business combination, net of cash acquired	—	311
Acquisition of undeveloped natural gas properties	(5,024)	(2,064)
Investment in other property and equipment	(2,249)	(1,187)
Development of natural gas properties	(63,932)	(9,340)
Proceeds from the sale of other property and equipment	285	—
Net cash used in investing activities	(161,858)	(513,992)

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2021	2020
Cash flows from financing activities:		
Proceeds from notes payable from related party	166,000	129,000
Payments on notes payable to related party	(24,000)	(105,000)
Proceeds from the issuance of common stock and other equity contributions	—	323,799
Proceeds from the issuance of preferred stock	—	94,924
Redemption of minority ownership puttable shares	(2,754)	—
Issuance of minority ownership puttable shares	3,177	—
Dividends paid to preferred stock shareholders	(10,330)	—
Redemption of preferred stock	(121,275)	—
Dividends paid to common stock shareholders	(88,126)	—
Redemption of common stock	(1,106)	—
Purchase of common stock issued through equity-based compensation plan	(110)	—
Net share settlements, equity-based compensation	(529)	—
Net cash (used in) provided by financing activities	(79,053)	442,723
Net increase (decrease) in cash, cash equivalents and restricted cash	117,222	(78,674)
Cash and cash equivalents, beginning of period	17,445	96,119
Cash and cash equivalents, end of period	$ 134,667	$ 17,445
Supplemental cash flow information:		
Cash payments for:		
Interest	$ 393	$ 1,523
Non-cash investing and financing activities:		
Increase (decrease) in accrued capital expenditures	$ 12,297	$ (1,377)
Additions to asset retirement obligations	$ 923	$ 772
Additions to operating assets and liabilities for business combination, net of cash acquired	$ —	$ 19,689
Additions to right of use assets and liabilities	$ 11,249	$ 7,093
Adjustment of minority ownership puttable shares to redemption value	$ 7,042	$ —
Adjustment of equity-based compensation to redemption value	$ 4,236	$ —
Impact of redemption of minority interest puttable shares on additional paid-in capital, common stock and treasury stock	$ 2,754	$ —
Accretion of preferred stock to redemption value	$ 3,745	$ —

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, PARTNERS' CAPITAL AND MEZZANINE EQUITY

(In thousands, except per share amounts)

	Stockholders' Equity and Partners' Capital							Mezzanine Equity				
	Common Stock			Additional Paid-in Capital	Accumulated Deficit	Total Stock-holders' Equity	Total Partners' Capital	Preferred Stock	Common Stock		Equity-based compensation	Total Mezzanine Equity
	Shares	Amount	Treasury						Shares	Amount		
Balances, January 1, 2020	—	$ —	$ —	$ —	$ —	$ —	$ 684,190	$ —	—	$ —	$ —	$ —
Contributed capital	—	—	—	—	—	—	100,000	—	—	—	—	—
Net loss	—	—	—	—	(26,773)	(26,773)	(16,573)	—	—	—	—	—
Corporatization	90,471	905	—	744,424	—	745,329	(767,617	—	2,229	22,288	—	22,288
Shares issued in business combination	—	—	—	—	—	—	—	—	2,000	20,000	—	20,000
Issuance of common stock	22,384	224	—	223,575	—	223,799	—	—	—	—	—	—
Issuance of preferred stock	—	—	—	—	—	—	—	94,924	—	—	—	94,924
Other, net	—	—	—	501	—	501	—	—	—	—	—	—
Balances, December 31, 2020	112,855	$1,129	$ —	$968,500	$ (26,773)	$ 942,856	$ —	$ 94,924	4,229	$42,288	$ —	$137,212
Net loss	—	—	—	—	(134,463)	(134,463)	—	—	—	—	—	—
Dividend declared, preferred stock shareholders ($0.25 per share)	—	—	—	—	(10,330)	(10,330)	—	—	—	—	—	—
Accretion of preferred stock to redemption value	—	—	—	(3,745)	—	(3,745)	—	3,745	—	—	—	3,745
Deemed dividend, preferred stock shareholders	—	—	—	(22,606)	—	(22,606)	—	—	—	—	—	—
Redemption of preferred stock	—	—	—	—	—	—	—	(98,669)	—	—	—	(98,669)
Redemption of common stock	(100)	—	(1,106)	—	—	(1,106)	—	—	—	—	—	—
Purchase of vested equity-based compensation award shares of common stock	(10)	—	(110)	—	—	(110)	—	—	—	—	—	—
Redemption of minority ownership puttable common stock shares	—	3	(2,754)	2,751	—	—	—	—	(275)	(2,754)	—	(2,754)
Dividend declared ($0.75 per share)	—	—	—	—	(88,126)	(88,126)	—	—	—	—	—	—
Issuance of common stock from employee stock purchase plan	—	—	—	—	—	—	—	—	287	3,265	—	3,265
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(7,042)	—	(7,042)	—	—	—	7,042	—	7,042
Issuance of common stock upon vesting of equity-based compensation awards	—	—	—	—	—	—	—	—	116	—	—	—
Impact of modification of equity-based compensation plan	—	—	—	—	—	—	—	—	—	—	25,342	25,342
Capital contribution from modification of equity-based compensation plan	—	—	—	780	—	780	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	3,648	3,648
Adjustment of equity-based compensation to redemption value	—	—	—	(5,016)	—	(5,016)	—	—	—	—	5,016	5,016
Balances, December 31, 2021	112,745	$1,132	$(3,970)	$933,622	$ (259,692)	$ 671,092	$ —	$ —	4,357	$49,841	$ 34,006	$ 83,847

The accompanying notes are an integral part of the consolidated financial statements.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Note 1 — General Information

General

BKV Corporation ("BKV Corp") was formed on May 1, 2020 and is a corporation registered with the State of Delaware. BKV Corp is a growth driven energy company focused on creating value for its shareholders through organic development of its properties, as well as accretive acquisitions. BKV Corp's core business is to produce natural gas from its owned and operated upstream businesses.

Upon its incorporation, BKV Corp entered into certain agreements to acquire the net assets of BKV Oil and Gas Capital Partners, L.P. ("BKV O&G") in a common control transaction. BKV Corp also entered into a transaction to acquire Kalnin Ventures LLC ("KV") in a business combination. These two transactions resulted in the formation of a new consolidated corporate entity. The associated series of transactions further described in *Note 18 — Corporatization Event* are collectively referred to as the "Corporatization Event."

Together BKV Corp and its wholly owned subsidiaries are referred to collectively as "BKV" or the "Company." The Corporatization Event resulted in a change in reporting entity. The change in reporting entity under common control requires retrospective presentation of BKV O&G and BKV for the period presented as if the change had been in effect since the beginning of the period being presented. Accordingly, the accompanying Consolidated Statement of Operations and Comprehensive Loss for the year ended December 31, 2020 represents the consolidation of BKV O&G's results of operations for the four months ended April 30, 2020 and BKV Corp's results of operations for the eight months ended December 31, 2020.

The majority shareholder of BKV Corp is Banpu North America Corporation ("BNAC"), which owns 96.3% of BKV Corp's shares. BKV Corp's ultimate parent company is Banpu Public Company Limited, a public company listed in the Stock Exchange of Thailand. The remaining 3.7% of shares are owned by non-controlling management, director, employee and non-employee shareholders who hold shares with contingent put rights that may be exercised according to conditions stipulated in the Shareholders' Agreement.

Basis of Preparation of the Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts for BKV Corp's direct and indirect wholly owned subsidiaries and entities in which BKV Corp has a controlling financial interest.

These consolidated financial statements include BKV Corp and its wholly owned subsidiaries which include:

- KV, a limited liability company formed September 19, 2013 and registered with the State of Colorado;
- BKV O&G, a limited partnership formed June 1, 2015 with the State of Delaware;
    - BKV Chaffee Corners, LLC ("Chaffee"), a limited liability company formed March 28, 2016, wholly owned subsidiary of BKV O&G, and registered with the State of Delaware;
    - BKV Chelsea LLC ("Chelsea"), a limited liability company formed November 10, 2016, wholly owned subsidiary of BKV O&G, and registered with the State of Delaware;
    - BKV Operating LLC ("Operating"), a limited liability company formed October 12, 2017, wholly owned subsidiary of BKV O&G, and registered with the State of Delaware; and
    - BKV Barnett LLC ("Barnett"), a limited liability company formed December 5, 2019, wholly owned subsidiary of BKV O&G, and registered with the State of Delaware.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Significant Judgments and Accounting Estimates

The preparation of these consolidated financial statements in accordance with GAAP as of and for the years ended December 31, 2021 and 2020 requires Company management to make estimates using assumptions and judgements considered reasonable, which affect the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Estimates which are particularly significant to the Company's consolidated financial statements include estimates of proved hydrocarbon reserves used in calculating depletion; estimates of unpaid revenues and unbilled costs; future cash flows from natural gas reserves on proved properties used in impairment assessments; valuation of commodity derivative instruments; the estimation of future decommissioning obligations; assignment of fair value to assets acquired and liabilities assumed in connection with acquisitions that are considered business combinations and allocating purchase price in connection with acquisitions that are considered asset acquisitions; valuation of ownership puttable shares; valuation of the Company's common stock relative to the grant date fair value of equity-based compensation, valuation of market-based performance conditions; valuation of contingent consideration associated with potential bonus payments for certain assets acquired; and valuation of deferred income tax assets.

Liquidity

As of December 31, 2021, the Company held $134.7 million of cash in operating accounts. The Company's working capital deficit as of December 31, 2021 is $269.0 million, which is largely driven by notes payable to BNAC of $166.0 million due in 2022, contingent consideration payable of $65.0 million, and current derivative liabilities of $91.2 million. For the year ended December 31, 2021, the Company's cash flows from operations was $358.1 million. In 2022, the Company paid $50.0 million of the $166.0 million of notes payable and extended the maturity of the remaining $116.0 million to December 31, 2027 (see *Note 7 — Related Parties).* As discussed in *Note 15 — Commitments and Contingencies*, the $65.0 million of contingent consideration payable as of December 31, 2021 was paid on January 18, 2022. The current derivative liabilities will settle monthly during the year ended December 31, 2022, in conjunction with the corresponding commodity sales. The Company intends to use the proceeds from the corresponding commodity sales to pay the settlements of the derivative liabilities.

In June 2022, the Company entered into a term loan and used the proceeds to fund the acquisition of operated and non-operated interests in proved reserves and certain midstream support assets in the Barnett formation. Refer to *Note 20 — Subsequent Events* for additional information regarding the acquisition. The term loan is due in five equal installments beginning in June 2023. The Company intends to make this payment with cash flows from existing and newly acquired operations.

On August 4, 2022, the Company entered an amendment to its ISDA Master Agreement with a counterparty to its derivative contracts pursuant to which the Company has agreed to terminate or novate, at the election of the Company, $100.0 million of its derivative contracts with the counterparty. To the extent the Company elects to terminate any such derivative contracts, the Company will be required to make cash payments in the applicable amount to the counterparty, which payments would be due in the aggregate by November 30, 2022. The Company intends to make such payments with cash flows from operations, inclusive of the recent acquisition of assets from XTO Energy, Inc. Refer to *Note 20 — Subsequent Events* for additional information regarding this agreement.

Note 2 — Summary of Significant Accounting Policies

The consolidated financial statements have been prepared on the historical cost basis with the exception of certain derivative financial liabilities, derivative financial assets, mezzanine equity, and certain contingent payments measured at fair value, as required by GAAP.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(a) Principles of Consolidation

These consolidated financial statements include financial information for BKV Corp, KV, BKV O&G, Chaffee, Chelsea, Operating, and Barnett. Accordingly, all intercompany balances and transactions between these entities have been eliminated within the consolidated financial statements. Undivided interests in natural gas properties and midstream assets are consolidated on a proportionate basis.

(b) Accounting Estimates

The preparation of these consolidated financial statements in accordance with GAAP as of and for the years ended December 31, 2021 and 2020 requires Company management to make estimates using assumptions and judgements considered reasonable, which affect the consolidated financial statements and accompanying notes. Management believes its estimates and assumptions are reasonable; however, such estimates and assumptions are subject to a number of risks and uncertainties that may cause actual results to differ materially from such estimates. Estimates which are particularly significant to the Company's consolidated financial statements include estimates of proved hydrocarbon reserves used in calculating depletion; estimates of unpaid revenues and unbilled costs; future cash flows from natural gas reserves on proved properties used in impairment assessments; valuation of commodity derivative instruments; the estimation of future decommissioning obligations; assignment of fair value to assets acquired and liabilities assumed in connection with acquisitions that are considered business combinations and allocating purchase price in connection with acquisitions that are considered asset acquisitions; valuation of ownership puttable shares; valuation of the Company's common stock relative to the grant date fair value of equity-based compensation, valuation of market-based performance conditions; valuation of contingent consideration associated with potential bonus payments for certain assets acquired; and valuation of deferred income tax assets. While Management is not aware of any significant revisions to any of its current estimates, there will likely be future revisions to its estimates resulting from matters such as revisions in estimated oil and natural gas volumes, changes in ownership interests, payouts, joint venture audits, re-allocations by purchasers or pipelines, or other corrections and adjustments common in the oil and natural gas industry, many of which require retroactive application. These types of adjustments cannot be currently estimated and will be recorded in the period in which the adjustment occurs.

(c) Acquisitions

Acquisitions are accounted for either as Business Combinations or Asset Acquisitions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805 *Business Combinations*.

Business Combinations

If the assets acquired and liabilities assumed constitute a business, the transaction is accounted for as a business combination. This method requires the recognition of the acquired identifiable assets, assumed liabilities and any non-controlling interest in the companies acquired at their fair value.

The value of the purchase price may be finalized up to a maximum of one year from acquisition date.

The acquirer shall recognize goodwill at the acquisition date, being the excess of:

- The consideration transferred, the amount of non-controlling interests and, in business combinations achieved in stages, the fair value at acquisition date of the investment previously held in the acquired company;
- Over fair value at acquisition date of acquired identifiable assets and assumed liabilities.

Factors giving rise to goodwill generally include operational synergies that are anticipated as a result of the business combination and growth expected to result in economic benefits from access to new customers

and markets. If the consideration transferred is lower than the fair value of acquired identifiable assets and assumed liabilities, an additional analysis is performed on the identification and valuation of the identifiable elements of the assets and liabilities. After having completed such additional analysis, any residual negative goodwill is recorded as a bargain purchase gain.

Asset Acquisitions

When substantially all of the gross assets acquired are concentrated in a single identifiable asset, or a group of similar identifiable assets, the acquisition is treated as an asset acquisition.

The Company accounts for asset acquisitions by performing purchase price allocations wherein the total transaction value is determined by aggregating the base purchase price, certain closing adjustments, and contingent consideration, if any. The total transaction value is then allocated to the acquired assets pro-rata based on their fair values. This allocation may cause identified assets to be recognized at amounts that are greater than their fair values. However, “non-qualifying” assets, which include financial assets and other current assets, should not be assigned an amount greater than their fair value. The determination of fair values of assets acquired requires the Company to make estimates and use valuation techniques. The transaction costs associated with asset acquisitions are capitalized as part of the assets acquired. Subsequent changes to the fair value of contingent consideration are recorded in the Other income and expense section of the Consolidated Statements of Operations and Comprehensive Loss.

(d) Cash and Cash Equivalents

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less.

(e) Inventory

Inventories are stated at the lower of cost or net realizable value. The cost of inventories is based upon the average cost method.

(f) Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company regularly reviews its deferred tax assets for recoverability and establishes a valuation allowance if it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. The determination as to whether a deferred tax asset will be realized is made on a jurisdictional basis and is based on both positive and negative evidence. This evidence includes historic taxable income, projected future taxable income, the expected timing of the reversal of existing temporary differences and the implementation of tax planning strategies.

The Company records uncertain tax positions in accordance with Accounting Standards Codification (“ASC”) Topic 740 on the basis of a two-step process in which (1) the Company determines whether it is more-likely-than-not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company

recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. The Company recognizes interest and penalties as a component of tax expense. Refer to *Note 17 — Income Taxes* for further discussion.

(g) Natural Gas Properties

The Company uses the successful efforts method of accounting for natural gas producing activities, as defined within ASC 932 *Extractive Activities — Oil and Gas*. Costs to acquire mineral interests in natural gas properties, to drill and equip exploratory leases that find proved reserves, and to drill and equip development leases and related asset retirement costs are capitalized. Costs to drill exploratory wells are capitalized, or suspended, pending determination of whether the wells have proved reserves. If the Company determines the wells do not have proved reserves, the costs are charged to expense. For exploratory wells that find reserves that cannot be classified as proved when drilling is completed, costs continue to be capitalized as suspended exploratory drilling costs if there have been sufficient reserves found to justify completion as a producing well and sufficient progress is being made in assessing the reserves and the economic and operational viability of the project. If the Company determines that future appraisal drilling or development activities are unlikely to occur, associated suspended exploratory well costs are expensed. In some instances, this determination may take longer than one year. There were no exploratory wells capitalized pending determinations of whether the wells have proved reserves at December 31, 2021 and 2020. Geological and geophysical costs, including seismic studies and costs of carrying and retaining unproved properties, are charged to expense as incurred. The Company capitalizes interest on expenditures for significant exploration and development projects that last more than six months while activities are in progress to bring the assets to intended use. For the years ended December 31, 2021 and 2020, the Company had no capitalized interest costs. Costs incurred to maintain wells and related equipment are charged to expense as incurred. Capitalized amounts attributable to developed gas properties are depleted by the unit-of-production method over proved developed reserves.

Capitalized costs related to proved gas properties, including wells and related support equipment and facilities, are evaluated for impairment on an analysis of undiscounted future cash flows in accordance with ASC 360 *Property, Plant, and Equipment*. If undiscounted future cash flows are insufficient to recover the net capitalized costs related to proved properties, then the Company recognizes an impairment charge in its results of operations equal to the difference between the net capitalized costs related to proved properties and their estimated fair values based on the present value of the related future net cash flows. The Company had no impairment of proved properties during the years ended December 31, 2021 and 2020.

Undeveloped natural gas properties are tested for impairment on a regular basis, based on the results of the exploratory activity and management's evaluation. In the event of a discovery, the undeveloped natural gas properties are transferred to developed natural gas properties at net book value as soon as proved reserves are recognized. During the years ended December 31, 2021 and 2020, the Company recognized no impairments related to undeveloped natural gas properties.

(h) Midstream Assets

Midstream assets are recorded at historical cost, less depreciation. Hydrocarbon transportation and processing assets (midstream assets) are depreciated using the straight-line method over twenty-five years for compressor and meter stations, and forty years for pipelines. Routine maintenance and repairs are charged to operating expenses as incurred. Realization of the carrying value of midstream assets is reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are determined to be impaired if a forecast of undiscounted estimated future net operating cash flows directly related to the assets, including any disposal value, is less than the carrying amount

of the asset. If any asset is determined to be impaired, the loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. An estimate of fair value is based on the best information available, including prices for similar assets and discounted cash flows. There were no impairments recognized during the periods ended December 31, 2021 and 2020.

(i) Other Property and Equipment

Other property and equipment is stated at cost, net of accumulated depreciation. Cost includes the purchase price and, where relevant, any costs directly attributable to bringing the asset to the location and condition necessary. When significant costs are incurred subsequent to the purchase of the asset that extends the life of the asset, such costs are included in the cost of the applicable asset and depreciated over their respective useful lives. All other subsequent costs are recognized in the Consolidated Statements of Operations and Comprehensive Loss as either lease operating expense or general and administrative expense.

Realization of the carrying value of other properties and equipment is reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are determined to be impaired if a forecast of undiscounted estimated future net operating cash flows directly related to the asset, including any disposal value, is less than the carrying amount of the asset. If any asset is determined to be impaired, the loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. An estimate of fair value is based on the best information available, including prices for similar assets and discounted cash flows. There were no material impairments recognized during the periods ended December 31, 2021 and 2020, respectively.

The Company incurs costs in developing, configuring, integrating, and implementing a cloud computing environment for hosting internal-use software. Costs which are able to be capitalized are amortized on a straight-line basis over the useful life of the software.

Depreciation and amortization expense is included within Depreciation, depletion and amortization on the Consolidated Statements of Operations and Comprehensive Loss. Following is a listing of useful lives for other property and equipment and cloud computing costs:

	Useful Life
Buildings	39 years
Furniture, fixtures, equipment, vehicles and other	5 years
Computer hardware and software	3 – 5 years
Leasehold improvements	7 – 10 years

(j) Asset Retirement Obligations

The Company follows the provisions of ASC 410-20 *Asset Retirement Obligations,* which requires entities to record the fair value of obligations associated with the retirement of tangible, long-lived assets in the period in which they are incurred. When a liability is initially recorded, the Company capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value, and the capitalized cost is depleted over the useful life of the related asset. During the years ended December 31, 2021 and 2020, accretion expense of $10.0 million and $3.2 million, respectively, was recognized.

Revisions to estimated asset retirement obligations will result in an adjustment to the related capitalized asset and corresponding liability. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss. The Company's asset retirement obligation relates to the plugging, dismantling, removal, site reclamation and similar activities of its natural gas properties.

Asset retirement obligations are estimated at the present value of expected future net cash flows and are discounted using the Company's credit adjusted risk free rate. The Company uses unobservable inputs

in the estimation of asset retirement obligations that include, but are not limited to: costs of labor, costs of materials, profits on costs of labor and materials, the effect of inflation on estimated costs, and discount rate. Due to the subjectivity of assumptions and the relative long lives of the Company's leases, the costs to ultimately retire the Company's obligations may vary significantly from prior estimates. Assumptions used in determining estimates are reviewed annually.

(k) Leases

The Company adopted ASC 842 — *Leases* on January 1, 2020. ASC 842 requires lessees to recognize a right of use asset and corresponding lease liability on the Consolidated Balance Sheets for all leases. The Company determines if an arrangement is a lease at inception of the arrangement and if such lease will be classified as an operating lease or a finance lease. As of December 31, 2021 and 2020, all of the Company's leases are accounted for as operating leases. The Company makes use of the practical expedient that permits combining lease and non-lease components.

Right of use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the leases. ROU assets and ROU liabilities are recognized at the lease commencement date based on the present value of minimum lease payments over the lease term. Most leases do not provide an implicit interest rate; therefore, the Company used its incremental borrowing rate based on the information available at the inception date to determine the present value of the lease payments. Lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. Lease cost for lease payments is recognized on a straight-line basis over the lease term. Certain leases have payment terms that vary based on the usage of the underlying assets.

The Company has ROU assets, and current and non-current ROU liabilities related to office space, a pipe yard, and compressor leases requiring balance sheet presentation. As of December 31, 2021 and 2020, the Company had $14.2 million and $9.9 million, respectively, of ROU assets. At December 31, 2021 and 2020, the related current ROU liabilities measured at $10.7 million and $6.5 million, respectively, and non-current ROU liabilities measured at $4.7 million and $4.6 million, respectively.

(l) Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 *Revenue from Contracts with Customers* ("ASC 606"). The core principle of ASC 606 is that an entity should recognize revenue for the transfer of goods or services equal to the amount of consideration that it expects to be entitled to receive for those goods or services. The Company derives the majority of revenues from natural gas, NGL and oil sales contracts. The contracts specify each party's rights regarding the goods or services to be transferred and contain commercial substance as they impact the Company's financial statements. A high percentage of receivables balance is current, and the Company has not historically entered into contracts with counterparties that pose a credit risk without requiring adequate economic protection to ensure collection. The Company determines revenue recognition through the following five step model:

- Identification of the contract(s) with a customer
- Identification of the performance obligation(s) in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation(s) in the contract
- Recognition of revenue when or as performance obligation(s) are satisfied

Natural Gas, NGLs and Oil Revenue

The Company's revenues are primarily derived from the sale of natural gas and NGLs that are extracted from the Company's natural gas wells as well as the sale of oil. Sales of natural gas, NGLs and oil

are recognized when the Company satisfies a performance obligation by transferring control of a product to a customer. Payment is generally received in the month following the sale. Timing of revenue recognition may differ from the timing of invoicing to customers; however, as the right to consideration after delivery is unconditional based on only the passage of time before payment of the consideration is due, upon delivery the Company records a receivable on the Consolidated Balance Sheets.

Under the Company's natural gas sales contracts, it delivers natural gas to the purchaser at an agreed upon delivery point for a specified index price adjusted for pricing differentials. To deliver natural gas to the agreed upon delivery point, the Company or other third parties gather, compress, process and transport the Company's natural gas. The Company maintains control of the natural gas during gathering, compression, processing, and transportation. Upon delivery of the product, the Company transfers control and recognizes revenue based on the contract price. In this scenario, the Company is the principal, and revenues are recognized on a gross basis or based on the contract price.

The Company enters into certain contracts for gathering and transportation of natural gas, NGL and oil products to deliver the products to customers. Fees incurred prior to control transfer are considered shipping and handling costs and are classified as gathering and transportation expense. Fees incurred after control transfer are included as a reduction to the transaction price. In this scenario, the Company is the agent, and revenues are recognized on a net basis.

Typically, the Company's natural gas, NGL, and oil sales contracts define the price as a formula based on the average market price, as specified on set dates each month, for the specific commodity during the month of delivery. Given the industry practice to invoice customers the month following the month of delivery and the Company's payment terms which are typically within 30 to 60 days of control transfer, no significant financing component is included within the contracts.

Non-operated Midstream Revenue

Non-operated midstream revenues are generated from the Company's undivided interest in certain midstream assets. As a non-operator the Company recognizes revenues when services are rendered by the operator based on quantities transported and measured, and contractual rates in accordance with the joint operating agreement between the Company and the operator. Revenues is recognized revenue based on the actual (known) consideration obtained from the operator because the Company does not have immediate visibility of all quantities transported. Consequently, revenue is recorded when the data is available.

Marketing Revenue

In conjunction with certain contracts for the sales of natural gas and NGLs, the Company recognizes the Company's share of net profits related to marketing revenues generated from a profit sharing agreement with a marketer. The contract includes variable components of consideration that are settled upon satisfaction of performance obligations which occurs at the point which control of the natural gas or NGL's is transferred by the purchaser to a third party. Revenues are recognized based on the underlying variable consideration pricing, and delivered volumes.

Other Considerations

In addition to revenues from natural gas, NGL and oil contracts from the Company's operated assets, BKV Corp entered into joint operating agreements as a non-operator for the sale of hydrocarbons through other operators. As a non-operator, BKV Corp recognizes revenue based on the actual (known) consideration that is obtained from the operator because BKV Corp does not have visibility into the terms of the sale. Consequently, non-operated revenue is recorded when the data is available.

The recognition of gains or losses on derivative instruments is not considered revenue from contracts with customers. The Company may use financial contracts accounted for as derivatives as economic hedges

to manage price risk associated with normal sales or in limited cases may use them for contracts the Company intends to physically settle but that do not meet all of the criteria to be treated as normal sales.

Transaction Price Allocated to Remaining Performance Obligations

For the Company's product sales that have a contract term greater than one year, the Company utilized the practical expedient in ASC 606, which does not require the disclosure of the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under the Company's product sales contracts, each unit of product delivered to the customer represents a separate performance obligation; therefore, future volumes are wholly unsatisfied, and disclosure of the transaction price allocated to remaining performance obligations is not required. For the Company's product sales that have a contract term of one year or less, the Company utilized the practical expedient in ASC 606, which does not require the disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

Contract Costs

Costs to obtain a contract are generally immaterial but the Company has elected the practical expedient to expense these costs as incurred if the duration of the contract is one year or less.

Please refer to *Note 9 — Revenue from Contracts with Customers* for additional disclosure.

(m) Lease Operating and Workover Expense

Lease operating expenses represent certain field employees' salaries, salt water disposal, repairs and maintenance, and other standard operating expenses. Lease operating expenses are expensed as incurred.

Workover expenses include those costs incurred to perform more substantial maintenance or remedial treatments on a well to enhance production. These costs are also expensed as incurred.

(n) Derivative Financial Instruments

The Company enters into commodity derivative instruments to reduce the effect of price volatility on a portion of the Company's future natural gas and NGL production. These activities may prevent the Company from realizing the full benefits of price increases above the levels of the derivative instruments on a portion of its future natural gas and NGL production. The commodity derivative instruments are measured at fair value and are included in the Consolidated Balance Sheets as commodity derivative assets and commodity derivative liabilities. The fair value of the Company's commodity derivative instruments are calculated using industry standard models using assumptions and inputs which are substantially observable in active markets throughout the full term of the instruments. These include market price curves, contract terms and prices, credit risk adjustments, implied market volatility and discount factors. The Company has not designated any of the derivative contracts as fair value or cash flow hedges. Therefore, the Company does not apply hedge accounting to the commodity derivative instruments. Net unsettled gains and losses on commodity derivative instruments are recorded based on the changes in the fair values of the derivative instruments and are recorded in the derivatives (losses) gains, net line on the Consolidated Statements of Operations and Comprehensive Loss. The Company's cash flow is only impacted when the actual settlements under the commodity derivative contracts result in making or receiving a payment to or from the counterparty. These settlements under the commodity derivative contracts are reflected as operating activities in the Company's Consolidated Statements of Cash Flows.

Derivative instruments (*Note 5 — Derivative Financial Instruments*) are with counterparties of high credit quality and are subject to master netting agreements, therefore the risk of nonperformance by the

counterparties is low. Risk of nonperformance of the Company, relative to counterparties liabilities is recognized accordingly in the consolidated financial statements.

(o) Accounts Receivable and Allowance for Expected Credit Losses

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments — Credit Losses (Topic 326): "Measurement of Credit Losses on Financial Instruments." For public business entities, the new standard became effective for annual reporting periods beginning after December 15, 2019, including interim periods within that reporting period. The Company adopted this standard effective January 1, 2020. The standard changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, and requires entities to use a new forward-looking expected loss model that will result in earlier recognition of allowance for losses. The Company's receivables consist mainly of trade receivables from commodity sales and joint interest billings due from owners on properties the Company operates. The majority of these receivables have payment terms of 30 days or less. For receivables due from joint interest owners, the Company generally has the ability to withhold future revenue disbursements to recover non-payment of joint interest billings. From an evaluation of the Company's existing credit portfolio, historical credit losses have been de minimis and are expected to remain so in the future assuming no substantial changes to the business or creditworthiness of BKV Corp's business partners. There was no material impact on the Company's consolidated financial statements or disclosures upon adoption of this ASU.

(p) Fair Value of Financial Instruments

The Company follows ASC 820 *Fair Value Measurements and Disclosures ("ASC 820")* for financial and non-financial assets and liabilities. ASC 820 establishes a framework for measuring fair value and expands disclosure about fair value measurements. The standard characterizes inputs used in determining fair value based on a hierarchy that prioritizes inputs depending on the degree to which they are observable.

Level 1 Fair Value Measurements — Observable, unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Fair Value Measurements — Observable inputs such as: (i) quoted prices for similar assets or liabilities in active markets; (ii) quote prices for identical or similar assets or liabilities in markets that are not active; or (iii) valuations based on pricing models where significant inputs (e.g., interest rates, yield curves, etc.) are observable for the assets or liabilities, are derived principally from observable market data, or can be corroborated by observable market data.

Level 3 Fair Value Measurements — Unobservable inputs, including valuations based on pricing models where significant inputs are not observable and not corroborated by market data. Unobservable inputs used to the extent that observable inputs are not available and reflect the Company's own assumptions about the assumptions market participants would use in pricing the assets or liabilities. Unobservable inputs are based on the best information available in the circumstances, which might include the Company's own data.

Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to fair value measurement requires judgment and may affect the fair value assets and liabilities of their placement within fair value hierarchy levels.

Fair values are estimated for the majority of the Company's financial instruments. Estimations of fair value, which are based on principles such as discounting future cash flows to present value, must be weighted by the fact that the value of a financial instrument at a given time may be influenced by the market

environment (particularly liquidity), and also the fact that subsequent changes in interest rates and exchange rates are not taken into account.

Fair value of derivative financial instruments is estimated through mark-to-market of all open positions. The valuations are determined on a daily basis using observable market data based on organized and over the counter markets.

The valuation techniques that may be used to measure fair value include a market approach, an income approach and a cost approach. A market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. An income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectations, including present value techniques, option-pricing models and the excess earnings method. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

(q) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Impairment may occur if the reporting unit's carrying value exceeds its fair value. Due to the nature of the goodwill arising from the acquisition of KV, as is described further in *Note 18 — Corporatization Event,* the Company's goodwill is tested at the reporting unit level, which for the Company is at the consolidated level due to the Company having one identifiable operating segment or reporting unit. Under the provisions of ASC 350 *Intangibles — Goodwill and Other*, the Company performs an impairment test for goodwill at least annually or when events and circumstances indicate the carrying value may not be recoverable. In performing the required impairment tests, the Company has the option to first assess qualitative factors to determine if it is necessary to perform a quantitative assessment for goodwill impairment. If the qualitative assessment concludes that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, a quantitative assessment is performed. The Company's quantitative assessment utilizes present value (discounted cash flow) methods to determine the fair value of the reporting units with goodwill. Determining fair value using discounted cash flows requires considerable judgment and is sensitive to changes in underlying assumptions and market factors. Key assumptions relate to revenue growth, projected operating income growth, terminal values, and discount rates. If current expectations of future growth rates and margins are not met, or if market factors outside of the Company's control, such as factors impacting the applicable discount rate, or economic or political conditions in key markets change significantly, then goodwill allocated to the reporting unit may be impaired. Management determined there were no circumstances indicating the carrying value may not be recoverable during the years ended December 31, 2021 and 2020. There have been no impairments recorded related to goodwill as the results of the annual quantitative impairment test indicated the fair value of the assets of the group to be greater than the carrying value as of December 31, 2021 and 2020.

(r) Equity-based Compensation

The Company recognizes compensation cost related to equity-based awards in the consolidated financial statements on a straight-line basis based on estimated grant date fair value. Equity-based compensation awards which ultimately settle in cash are accounted for as liabilities, and awards which are contingently settled in cash or shares of the Company's common stock are accounted for as mezzanine equity. Mezzanine equity classified awards which are considered probable of becoming redeemable are carried on the Consolidated Balance Sheets at the greater of redemption value or initial carrying value. Changes in the redemption value of the awards result in a transfer from stockholders' equity to mezzanine equity on the Consolidated Balance Sheets of the Company.

The Company is authorized to grant equity-based compensation in the form of restricted stock units which include service conditions, and performance-based restricted stock units, which include service

conditions, market performance conditions, and non-market performance conditions. The grant date fair value is determined based on the components of the award and utilize the estimated fair value of common stock prices on the grant date, Monte Carlo simulations, and the fair market value of common stock coupled with probability assessments relative to the satisfaction of non-market performance conditions.

Compensation cost is recognized ratably on a straight-line basis over the applicable vesting or service period, as applicable. Forfeitures are estimated and recognized over the applicable vesting or service period and are re-evaluated at the end of each reporting period. Actual forfeitures are recognized as they occur by reversing the expense previously recognized for awards that were forfeited during the period. The Company's equity-based compensation is discussed further in *Note 11 — Equity-based Compensation*.

(s) Treasury Stock

The Company recognizes purchases of its own stock as a reduction to stockholders' equity or mezzanine equity in the Consolidated Balance Sheets using the cost method. Shares are held until authorized for redistribution by the Company's Board of Directors.

(t) Equity Method Investments

The Company applies the equity method of accounting to its investments over which it does not have the power to direct the activities that most significantly impact the investment's economic performance. The Company's judgment regarding the level of influence over its equity method investments includes considering key factors such as the Company's ownership interest, representation on the board of directors and participation in the policy-making decisions of equity method investees. The carrying value of the Company's equity method investments is recorded in Investment in joint venture on the Consolidated Balance Sheets. The Company's pro-rata share of earnings in equity method investments is recorded in Income from equity affiliates in the Consolidated Statements of Operations and Comprehensive Loss.

The Company evaluates its investment in the equity method investee for impairment whenever events or changes in circumstances indicate that the carrying value of its investment may have experienced an "other-than-temporary" decline in value. If such conditions exist, the Company compares the estimated fair value of the investment to its carrying value to determine if an impairment is indicated. If impairment is indicated, the Company then determines whether the impairment is "other-than-temporary" based on its assessment of all relevant factors, including consideration of the Company's intent and ability to retain its investment.

(u) Earnings (Loss) Per Common Share

Earnings (loss) per common share — basic for each period is computed by dividing net income (loss) attributable to BKV Corp by the basic weighted average number of shares outstanding during the period. The potential dilutive effect of shares is calculated using the treasury stock method or if-converted method as applicable. During periods in which the Company incurs a net loss, diluted weighted average shares outstanding are equal to basic weighted average shares outstanding because the effects of all potential shares are anti-dilutive.

(v) Business Segment Information

The Company is organized and managed and identified as one operating segment and one reportable segment.The Company measures financial performance on a consolidated basis with all operating revenues and income from operations with all operating revenues and income from operations generated in, and all assets based in the United States.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(w) Recently Issued Accounting Standards

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, Leases. The objective of this ASU is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclose key information about leasing arrangements. The FASB subsequently issued various ASUs which provided additional implementation guidance, and these ASUs collectively make up ASC 842 — Leases ("ASC 842"). For non-public companies, ASC 842 had an effective date for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021 with early adoption permitted. The Company elected early adoption and adopted ASC 842 effective January 1, 2020 using the modified retrospective method as of the adoption date. Refer to *Note 2 — Summary of Significant Accounting Policies (l) Leases* and *Note 16 — Leases* for more information on the Company's implementation of this standard.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes. This ASU removes certain exceptions to the general principles in ASC 740 — Income Taxes ("ASC 740") and also simplifies portions of ASC 740 by clarifying and amending existing guidance. It is effective for interim and annual reporting periods after December 15, 2020. The Company adopted this ASU on January 1, 2021, and it did not have a material impact on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04"), and in January 2021, issued ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope ("ASU 2021-01"), to provide clarifying guidance regarding the scope of Topic 848. ASU 2020-04 was issued to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. Generally, the guidance is to be applied as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. The Company has elected not to use the optional guidance provided by these ASUs. Please refer to *Note 7 — Related Parties* and *Note 8 — Credit Facilities* for discussion of the use of the LIBOR in connection with borrowings under the Loan Facility agreements with BNAC and credit facilities with banks.

In August 2020, the FASB issued ASU 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU simplifies accounting for convertible instruments by removing certain separation models for convertible instruments. For convertible instruments with conversion features that are not accounted for as derivatives under ASC 815 or do not result in substantial premiums accounted for as paid-in capital, the convertible instrument's embedded conversion features are no longer separated from the host contract. Consequently, and as long as no other feature requires bifurcation and recognition as a derivative, the convertible instrument is accounted for as a single liability (if applicable) and is measured at its amortized cost. This ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted for fiscal years ending after December 15, 2020. The Company has elected early adoption of this ASU effective as of January 1, 2021, using the full retrospective method of adoption. The accompanying Consolidated Balance Sheet was adjusted as follows:

	As of December 31, 2020		
(in thousands)	**As Reported**	**Adjustment**	**As Adjusted**
Preferred Stock – mezzanine equity	$ 396	$ 94,528	$ 94,924
Additional paid in capital – permanent equity	$1,063,028	$ (94,528)	$ 968,500

The early adoption of ASU 2020-06 did not have an impact on the Company's Consolidated Statement of Operations and Compressive Loss for the year ended December 31, 2020.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

As of December 31, 2021 and through the date the consolidated financial statements were available for issuance (see *Note 20 — Subsequent Events*), no other ASUs have been issued that are applicable to the Company and that would have a material effect on the Company's consolidated financial statements and related disclosures.

Note 3 — Natural Gas Properties & Other Property and Equipment

Accumulated depreciation, depletion and amortization for developed gas properties as of December 31, 2021 and 2020 was $267.3 million and $190.3 million, respectively. Depreciation, depletion and amortization expense for developed natural gas properties for the years ended December 31, 2021 and 2020 was $78.1 million and $79.8 million, respectively. There were no exploratory well costs pending determination of proved reserves at December 31, 2021 and 2020 and no exploratory dry hole costs during the years ended December 31, 2021 and 2020.

Midstream assets consisted of the following:

	As of December 31,	
(in thousands)	**2021**	**2020**
Compressor station	$ 6,831	$ 6,831
Meter station	654	654
Pipelines	47,878	47,828
Total	55,363	55,313
Accumulated depreciation	(7,417)	(6,069)
Midstream assets, net	$47,946	$49,244

Depreciation expense on midstream assets of $1.3 million was recognized during each of the years ended December 31, 2021 and 2020.

Other property and equipment consisted of the following:

	As of December 31,	
(in thousands)	**2021**	**2020**
Buildings	$12,675	$12,675
Furniture, fixtures, equipment and vehicles	6,555	4,046
Computer software	4,715	4,901
Leasehold improvements	1,571	1,119
Land	3,090	3,090
Total	28,606	25,831
Accumulated depreciation	(6,482)	(2,663)
Other property and equipment, net	$22,124	$23,168

Depreciation expense for other property and equipment for the years ended December 31, 2021 and 2020 was $2.8 million and $1.8 million, respectively.

Barnett Asset Acquisition

On December 17, 2019, Barnett entered into a Purchase and Sale Agreement ("PSA"), which was subsequently amended, to acquire certain operated and non-operated interests in proved reserves and related upstream assets in the Barnett formation from Devon Energy Corporation ("Seller") for $570.0 million,

subject to certain closing adjustments. The PSA included contingent payments totaling $260.0 million if certain commodity price thresholds are met during a four year period commencing January 1, 2021. The transaction closed on October 1, 2020. The acquisition was made to support the strategic growth of the Company.

Barnett paid $70.0 million into escrow in December 2019 and an additional $100.0 million in April 2020 for a total deposit of $170.0 million. At closing the Company paid an additional $319.8 million. As of the acquisition date, the fair value of the additional contingent payments was $19.7 million. See *Note 4 — Fair Value Measurements* and *Note 15 — Commitments and Contingencies* for discussion of the fair market value valuation methodology applied to the contingent consideration at the acquisition date and as of December 31, 2021, and 2020. Subsequent changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Operations and Comprehensive Loss.

The acquisition qualified as an asset acquisition as the fair value of substantially all the assets acquired were concentrated in a group of similar assets. Transaction costs incurred to acquire the assets, which amounted to $11.9 million, were capitalized and included in the cost basis of the acquired assets. Asset retirement liabilities were estimated to be $120.6 million as of the acquisition date.

The consideration was allocated to the assets acquired and liabilities assumed as follows:

(in thousands)	
Assets acquired	
Developed properties	$ 624,914
Other property and equipment	14,264
Inventory	2,784
Liabilities assumed	
Contingencies and contingent payments	(19,700)
Asset Retirement Obligations	(120,550)
Total	$ 501,712

There were no other significant acquisitions or divestitures of natural gas properties during the years ended December 31, 2021 and 2020, and there were no transfers of exploration and evaluation assets to natural gas properties.

Note 4 — Fair Value Measurements

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. The Company primarily applies the income approach for recurring fair value measurements and endeavor to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Company can classify fair value balances based on the observability of those inputs.

The fair value of derivatives is based on third-party pricing models which utilize inputs that are either readily available in the public market, such as natural gas and NGL forward curves and discount rates, or can be corroborated from active markets or broker quotes. These values are compared to the values given by counterparties for reasonableness. Since natural gas and NGL swaps do not include optionality and therefore generally have no unobservable inputs, they are classified as Level 2. Derivatives are also subject to

the risk that either party to a contract will be unable to meet its obligations. The Company factors non-performance risk into the valuation of derivatives using current published credit default swap rates. As of December 31, 2021, the impact of the non-performance risk adjustment to the Company's on the fair value of commodity derivative liabilities was $4.2 million; the impact to the fair value as of December 31, 2020, was not material.

Derivative assets and liabilities measured at fair value as of December 31, 2021 and 2020 use Level 2 valuation techniques; contingent consideration is measured at fair value and as of these reporting dates uses Level 3 valuation techniques. There have been no transfers between fair value levels during the reporting periods. The fair value hierarchy for grouping these assets and liabilities is based on the significance level of inputs.

The following tables set forth by level within the fair value hierarchy of financial assets and liabilities that were accounted for at fair value on a recurring basis:

	As of December 31, 2021			
	Fair Value Measurements Using:			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Derivative instruments	—	9,986	—	9,986
Financial liabilities				
Derivative instruments	—	114,818	—	114,818
Contingent Consideration	—	—	142,533	142,533
Mezzanine equity				
Minority ownership puttable shares	—	—	49,841	49,841
Equity-based compensation	—	—	34,006	34,006

	As of December 31, 2020			
	Fair Value Measurements Using:			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Derivative instruments	—	15,499	—	15,499
Financial liabilities				
Derivative instruments	—	5,170	—	5,170
Contingent Consideration	—	—	12,565	12,565
Mezzanine equity				
Minority ownership puttable shares	—	—	42,288	42,288

The contingent consideration first reported in the year ended December 31, 2020 was generated from the asset acquisition described in *Note 3 — Natural Gas Properties & Other Property and Equipment.* The fair value of the contingent consideration as of December 31, 2021 and 2020 represents management's best estimate if a third party were paid to assume the contingency. The fair value was determined using forecasted

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

monthly Henry Hub Prices and West Texas Intermediate prices,and applicable credit spread and risk free rates in the application of Monte Carlo simulations. This contingency, including the settlement, is described further in *Note 15 — Commitments and Contingencies* to the audited consolidated financial statements.

The minority ownership puttable shares were recorded at fair value upon initial recognition in mezzanine equity on the Consolidated Balance Sheets. The fair market value of the Company's common stock was used to determine the carrying value of the minority ownership puttable shares in mezzanine equity on the Consolidated Balance Sheets as of December 31, 2021 and 2020. The Company's common stock was valued using both observable (Level 2) and unobservable (Level 3) inputs. The minority ownership puttable shares are further described in *Note 12 — Stockholders' Equity and Mezzanine Equity* and *Note 18 — Corporatization Event* to the consolidated financial statements.

Equity-based compensation was recorded at fair value on the date of the modification of the terms of the awards. The underlying market condition was valued using the application of Monte Carlo simulations using both observable (Level 2) and unobservable (Level 3) inputs. The remaining components of the awards were valued based on the fair market value of the common stock of the Company, which is valued consistent with valuation methodologies described for the minority ownership puttable shares. The fair market value of the Company's market condition and common stock as of December 31, 2021 were used to determine the fair market value of equity-based compensation in mezzanine equity on the Consolidated Balance Sheet as of December 31, 2021. Equity-based compensation is further described in *Note 11 — Equity-based Compensation* and *Note 12 — Stockholders' Equity and Mezzanine Equity* to the consolidated financial statements.

Quantitative data regarding the Company's Level 3 unobservable inputs are as follows:

(in thousands, except per share amounts)	Fair Value	Valuation Technique	Unobservable Input	Range or Actual
Common stock – per share – as of May 1, 2020[1]	$ 10.00	Enterprise value	Discount rate	8.9 – 10%
Common stock – per share – as of December 31, 2020[1]	$ 10.00	Enterprise value	Discount rate	8.9 – 10%
Contingent Consideration – as of December 31, 2020	$ 12,565	Monte Carlo Simulation	Risk free Rate	0.3%
			Credit Spread	6.7%
			Discount Rate	7.0%
Contingent consideration – as of December 31, 2021	$142,533	Monte Carlo Simulation	Risk Free Rate	1.0%
			Credit Spread	4.0%
			Discount Rate	5.0%
Market condition equity-based compensation per share – as of October 31, 2021	$ 10.72	Monte Carlo Simulation	Performance period dividends	3% equity capital, annually
Market condition equity-based compensation per share – as of December 31, 2021	$ 13.77	Monte Carlo Simulation	Performance period dividends	3% equity capital, annually
Common stock – per share value – as of October 31, 2021[1]	$ 11.06	Enterprise value	Discount rate	10.0%
Common stock – per share value – as of December 31, 2021[1]	$ 11.75	Enterprise value	Discount rate	7.7 – 9.5%

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(1) The Company uses the midpoint of valuation results when estimating the fair value of common stock.

The table below sets forth the changes in the Company's Level 3 financial instruments carried at fair value on a recurring basis:

	Year ended December 31,	
(in thousands)	**2021**	**2020**
Fair value, beginning of period	$ 54,853	$ —
Contingent consideration-additions through asset acquisition (*Note 3*)	—	19,700
Contingent consideration – settlement *(Note 15)*	(65,000)	—
Minority ownership puttable share activity (*Note 12)*	511	42,288
Grant date fair value of equity-based compensation *(Note 11)*	28,990	—
Change in fair market value *(all instruments)*	207,026	(7,135)
Fair value, end of period	$ 226,380	$ 54,853

Note 5 — Derivative Financial Instruments

From time to time, the Company may utilize derivative contracts in connection with its natural gas and NGL operations to provide an economic hedge of the Company's exposure to commodity price risk associated with anticipated future natural gas and NGL production. The Company does not hold or issue derivative financial instruments for trading purposes. The derivative contracts outstanding as of December 31, 2021 and 2020 consisted of swap, enhanced three-way collar, and collar agreements, subject to master netting agreements with each individual counterparty. The following table presents gross commodity derivative balances prior to applying netting adjustments and net balances recorded in the Consolidated Balance Sheets:

	As of December 31, 2021		
(in thousands)	**Gross Amounts of Assets and Liabilities**	**Offset Adjustments**	**Net amounts of assets/liabilities**
Current derivative assets	$ 9,986	—	$ 9,986
Noncurrent derivative assets	$ —	—	$ —
Current derivative liabilities	$ 91,156	—	$ 91,156
Noncurrent derivative liabilities	$ 23,662	—	$ 23,662

	As of December 31, 2020		
(in thousands)	**Gross Amounts of Assets and Liabilities**	**Offset Adjustments**	**Net amounts of assets/liabilities**
Current derivative assets	$ 27,680	(12,196)	$ 15,484
Noncurrent derivative assets	$ 15	—	$ 15
Current derivative liabilities	$ 12,196	(12,196)	$ —
Noncurrent derivative liabilities	$ 5,170	—	$ 5,170

Enhanced Three-way Collar, Collar and Swap Contracts

Generally, enhanced three-way collar arrangements provide for a price floor, a price ceiling and either a price sub-floor or price sub-ceiling. The floating price for the enhanced three-way collar contracts is traded

for a fixed price when the floating price is not between the floor and ceiling, and for twice the contracted volumes within the contracted volumes, the sub-floor/ceiling. If the floating price is between these contracted prices, no trade occurs. A commodity swap agreement is an agreement whereby a floating price based on the underlying commodity is traded for a fixed price over a specified period. A commodity collar provides for a price floor and a price ceiling.The floating price for the collar contract is traded for a fixed price when the floating price is not between the floor and ceiling. If the floating price is between these contracted prices, no trade occurs.

The fair value of open enhanced three-way collars, collars and swap contracts reported in the Consolidated Balance Sheets may differ from that which would be realized in the event the Company terminated its position in the respective contract. Risks may arise as a result of the failure of the counterparty to the contract to comply with the terms of the contract. The loss incurred by the failure of the counterparties is generally limited to the aggregate fair value of the outstanding contracts in an unrealized gain position as well as any collateral posted with the counterparty. The Company considers the creditworthiness of each counterparty to a three-way collar, option, or swap contract in evaluating potential credit risk. Additional risks may arise from unanticipated movements in the fair value of the underlying investments.

Derivative Contracts

The Company records its derivative financial instruments related to natural gas and NGL production at fair value using a market approach and has not designated any derivatives as hedges. Derivative financial instruments are marked-to-market and presented on the Consolidated Balance Sheets as commodity derivative assets or commodity derivative liabilities with the amount of unsettled gain or loss reflected in derivative (losses) gains, net in the Consolidated Statements of Operations and Comprehensive Loss. Derivative financial instruments that settle throughout the year are recorded as derivative (losses) gains, net in the Consolidated Statements of Operations and Comprehensive Loss. The following table sets forth the effect of derivative instruments on the Consolidated Statement of Operations and Comprehensive Loss:

	Year Ended December 31,	
(in thousands)	**2021**	**2020**
Total gain (loss) on settled derivative instruments	$ (268,686)	$ 10,427
Total gain (loss) on unsettled derivative instruments	(115,161)	10,329
Total gain (loss) on derivative instruments	$ (383,847)	$ 20,756

Settled derivative instrument gain (loss) for the years ended December 31, 2021, and 2020 include losses of $30.9 million and gains of $2.7 million, respectively, related to monetization of certain natural gas derivative instruments prior to their contractual settlement dates. During the year ended December 31, 2021 monetization events occurred in October and November. Pursuant to the monetization agreements, the settlements were payable in four equal installments quarterly beginning on the respective monetization dates.

As of December 31, 2021, $66.8 million of settled derivative instruments was included in accounts payable and accrued liabilities on the Company's Consolidated Balance Sheet; which included $23.2 million related to monetizations. As of December 31, 2020, $5.5 million of settled derivative instruments receivable was included in accounts receivable, net on the Company's Consolidated Balance Sheet.

Volume of Derivative Activities

Outstanding derivative contracts are measured at fair value using Level 2 valuation techniques and are included in the accompanying Consolidated Balance Sheets as derivative assets and derivative liabilities.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

At December 31, 2021, the Company's derivative activities based on volume and contract prices, categorized by primary underlying risk and related commodity, by year, were as follows:

The following table represents natural gas commodity derivatives indexed to NYMEX Henry Hub pricing:

Instrument	MMBTU	Weighted Average Price (USD)	Weighted Average Price Sub Floor	Weighted Average Price Floor	Weighted Average Price Ceiling	Weighted Average Price Sub Ceiling	Fair Value as of December 31, 2021 (In thousands)
2022							
Swap	28,700,000	$ 3.74					$ 2,302
Enhanced three-way collars	52,185,000		$ 2.51	$ 2.57	$ 3.14	$ 3.17	$ (75,589)
Collars	6,320,000			$ 2.82	$ 3.63		$ (4,018)
2023							
Swap	3,340,000	$ 2.81					$ (1,512)
Three-way collars	8,350,000			$ 2.45	$ 3.15	$ 3.15	$ (7,587)
Collars	50,100,000			$ 2.85	$ 3.75		$ (3,097)

The following table represents natural gas liquids commodity derivatives for contracts expiring throughout the year ended December 31, 2022 and 2023 based on the applicable index listed below:

Instrument	Commodity Reference Price	GAL	Weighted Average Price (USD)	Fair Value at December 31, 2021 (In thousands)
2022				
Swap	OPIS Purity Ethane Mont Belvieu	38,325,000	$ 0.27	$ (1,244)
Swap	OPIS IsoButane Mont Belvieu Non-TET	3,832,500	$ 0.99	$ (736)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	7,665,000	$ 0.98	$ (1,554)
Swap	OPIS Pentane Mont Belvieu Non-TET	7,665,000	$ 1.46	$ (1,698)
Swap	OPIS Propane Mont Belvieu Non-TET	22,995,000	$ 0.86	$ (3,830)
2023				
Swap	OPIS Purity Ethane Mont Belvieu	38,325,000	$ 0.23	$ (984)
Swap	OPIS IsoButane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (501)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (504)
Swap	OPIS Pentane Mont Belvieu Non-TET	7,665,000	$ 1.28	$ (1,568)
Swap	OPIS Propane Mont Belvieu Non-TET	22,995,000	$ 0.72	$ (2,714)

Additional Disclosures about Derivative Instruments

The use of derivative instruments involves the risk that the counterparties will be unable to meet their obligations under the agreements. The Company's counterparties are primarily commercial banks and financial service institutions that management believes present minimal credit risk and its derivative contracts are with multiple counterparties to minimize its exposure to any individual counterparty. The Company performs both quantitative and qualitative assessments of these counterparties based on their credit ratings and credit default swap rates where applicable.

Subsequent activity

From December 31, 2021 and through the date the consolidated financial statements were available for issuance, the Company entered into the following commodity derivative positions for natural gas:

Instrument	MMBTU	Weighted Average Price (USD)
2022 Swaps	14,919,000	$ 4.98
2023 Swaps	56,587,000	$ 3.99

From December 31, 2021 and through the date the consolidated financial statements were available for issuance, the Company entered into the following commodity derivative positions for natural gas liquids:

Instrument	Commodity Reference Price	GAL	Weighted Average Price (USD)	Weighted Average Price Floor	Weighted Average Price Ceiling
2022					
Swap	OPIS Purity Ethane Mont Belvieu Non-TET	56,019,600	$ 0.37		
Collar	OPIS IsoButane Mont Belvieu Non-TET	2,318,400		$ 1.25	$ 1.42
Collar	OPIS Normal Butane Mont Belvieu Non-TET	3,733,800		$ 1.25	$ 1.55
Collar	OPIS Pentane Mont Belvieu Non-TET	5,665,800		$ 1.80	$ 2.18
Collar	OPIS Propane Mont Belvieu Non-TET	15,582,000		$ 1.14	$ 1.30

Note 6 — Asset Retirement Obligations

The Company has recognized an estimated liability for its asset retirement obligations related to the future costs of plugging, abandonment, and remediation of natural gas producing properties. The present value of the estimated asset retirement obligations has been capitalized as part of the carrying amount of the related natural gas properties. The liability has been accreted to its present value during the years ended December 31, 2021, and 2020.

The following table summarizes the activities of the Company's asset retirement obligations for the periods indicated:

	Year ended December 31,	
(In thousands)	2021	2020
Asset retirement obligations, beginning of period	$148,826	$ 24,293
Additions through asset acquisition (*Note 3*)	—	120,550
Liabilities incurred	923	772
Liabilities settled	(811)	—
Accretion of discount	10,030	3,211
Asset retirement obligations, end of period	158,968	148,826
Less current portion	—	—
Asset retirement obligation, long-term	$158,968	$148,826

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Note 7 — Related Parties

During 2020, the Company entered into the First Amendment to a note payable with its majority shareholder BNAC (the "Lender") which allowed for a single drawdown in the amount of $10.0 million. On July 1, 2020, BKV Corp received $10.0 million through a drawdown pursuant to the terms of the First Amendment to the Loan Agreement with interest at 5.3%. During the years ended December 31, 2021 and 2020 the Company recorded interest expense on this loan of $0.1 million and $0.2 million, respectively, in the Consolidated Statements of Operations and Comprehensive Loss. The full balance of the loan outstanding as of December 31, 2020 was repaid during the year ended December 31, 2021.

On September 28, 2020, BKV Corp received $119.0 million in accordance with a separate loan agreement entered into with the Lender. On December 16, 2020, $100.0 million of the original principal balance was repaid to the Lender. Interest on the outstanding principal is 5.25% + six-month LIBOR. During the years ended December 31, 2021 and 2020, the Company recorded interest expense on this loan of $0.2 million and $1.5 million, respectively, in the Consolidated Statements of Operations and Comprehensive Loss. The remaining balance of the loan outstanding as of December 31, 2020 was repaid during the year ended December 31, 2021.

On October 14, 2021, the Company entered into a Loan Facility Agreement with the Lender which allowed for a single drawdown in the amount of $116.0 million on the date of the agreement. Interest on the outstanding principal is LIBOR+ 5.25% and is payable on a semi-annual basis. The outstanding balance of $116.0 million as of December 31, 2021, as amended on June 15, 2022, is due on December 31, 2027, including any unpaid interest. The applicable interest rate as of December 31, 2021 was 5.41%. Interest payable under this Loan Facility as of December 31, 2021 was $1.4 million.

On November 8, 2021, the Company entered into a Loan Facility Agreement with the Lender which allowed for a single drawdown in the amount of $50.0 million on the date of the agreement. Interest on the outstanding principal is LIBOR+ 5.25% and is payable on a semi-annual basis. The outstanding balance of $50.0 million as of December 31, 2021 is due on June 30, 2022, including any unpaid interest. In the event the Company draws on its credit facility, described further in *Note 8 — Credit Facilities*, $15.0 million of the Loan Facility is required to be paid at that time. The applicable interest rate as of December 31, 2021 was 5.46%. Interest payable under this Loan Facility as of December 31, 2021 was $0.4 million. On January, 11, 2022, and June 1, 2022 the Company repaid $15.0 million and $35.0 million, respectively, repaying the entire outstanding balance as of December 31, 2021.

LIBOR was discontinued as a global reference rate for new loans and contracts after December 31, 2021. The Loan Facility Agreements with outstanding balances as of December 31, 2021 specify that if LIBOR is no longer a widely used as a reference rate in the financial market, with mutual agreement with the Company a replacement rate will be specified. As of the date the financial statements are available to be issued, no such agreement has been reached and the Company continues to be charged interest using LIBOR rates as previously stated. Please refer to *Note 2 — Summary of Significant Accounting Policies* for discussion of FASB ASU 2020-04 and ASU 2021-01, which provides guidance related to reference rate reform.

The Company is subject to certain financial and non-financial covenants under the Loan Facility Agreements entered into on October 14, 2021 and November 8, 2021 ("2021 Lender Agreements"). The non-financial covenants prevent the Company from: incurring a lien on its, or any of its subsidiaries, assets or related revenues; incurring additional indebtedness without written consent of the Lender; incurring additional unsecured indebtedness whereby the Lender does not rank equal to holder of the new unsecured indebtedness; or conducting any business outside of the business currently conducted by the Company. The financial covenants require the Company to maintain a net worth, as defined within the 2021 Lender Agreements, of greater than $800.0 million. The Company is also required to maintain a trailing twelve-month net borrowings to EBITDAX ratio of greater than 3.0x following each draw down. The Company was in compliance with all associated covenants under the 2021 Lender Agreements as of December 31, 2021.

On March 10, 2022, the Company entered into a Loan Facility Agreement with the Lender which allowed for a single drawdown in the amount of $75.0 million on the date of the agreement. Interest on the outstanding principal is SOFR + 5.25% and is payable on a semi-annual basis. The principal balance of $75.0 million, as amended on June 15, 2022, is due on December 31, 2027, including any unpaid interest. On June 15, 2022, the Company entered into a subordination agreement with the lender whereby the $75.0 million is subordinate to the term loans of the Company under the Credit Agreement further discussed in *Note 20 — Subsequent Events*.

As of December 31, 2021 and 2020, the Company had a $30.7 million and a $1.2 million payable, respectively, to BNAC for current tax expense reflected in the Income taxes payable to related party line item on the Consolidated Balance Sheets. The amounts due to BNAC as of December 31, 2021 and 2020, respectively, related to reimbursements for income tax related items. Separately, the Company had $0.5 million receivable from BNAC as of December 31, 2021, related to shared general and administrative expenses.

As of December 31, 2021, the Company had accounts receivable from BKV-BPP Power, LLC of $1.8 million related to reimbursement for certain expenses paid on behalf of BKV-BPP Power, LLC and amounts receivable under the Administration Services Agreement between the Company and BKV-BPP Power, LLC. See *Note 13 — Equity Method Investment* for further discussion.

The Company's ultimate parent Banpu Public Company Limited is also the ultimate parent of Banpu US Power Corporation ("BPP US"), the Company's partner in a joint venture which is discussed further in *Note 13 — Equity Method Investment*. As of December 31, 2021, the Company had accounts receivable from BPP US of $1.3 million related to reimbursement for expenses incurred during the formation of the joint venture.

Note 8 — Credit Facilities

On December 22, 2021 the Company entered into an agreement with a bank (the "Bank") which provides for a revolving credit facility (the "Facility") with a limit of $55.0 million. The Facility is not secured. Advances on the Facility are required to be repaid upon the earlier of sixty days after the date of the advance, or upon the receipt of a written demand notice from the Bank. Advances from the Facility must be greater than $1.0 million. Interest on any outstanding advances is payable monthly at a rate of LIBOR +2.0%. As of December 31, 2021, the Company had no outstanding advances under this facility. LIBOR was discontinued as a global reference rate for new loans and contracts after December 31, 2021. The Facility agreement includes a provision for transition to a SOFR based interest rate upon the Company receiving notification from the Bank.

Subsequent Activities

On January 20, 2022 the Company received an advance from the Facility in the amount of $30.0 million, which was paid in February of 2022.

On March 16, 2022, the Company entered into an agreement with another bank which provides for revolving term loans and letters of credit ("Facility II") with a limit of $25.0 million. Of the $25.0 million, $15.0 million is available for cash draw downs, and in the absence of outstanding cash draw downs, the full $25.0 million is available for letters of credit. Facility II is not secured. Interest is agreed upon at the time of each cash drawn down. Facility II had one outstanding letter of credit for $14.4 million as of the date the consolidated financial statements were available for issuance.

On May 23, 2022, the Bank enacted the change to SOFR. Please refer to *Note 2 — Summary of Significant Accounting Policies* for discussion of FASB ASU 2020-04 and ASU 2021-01, which provides guidance related to reference rate reform.

On June 16, 2022, the Company received an advance from the Facility in the amount of $30.0 million. This amount was outstanding as of the date these financial statements were available for issuance.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Note 9 — Revenue from Contracts with Customers

The Company records sales revenue based on an estimate of the volumes delivered at estimated prices as determined by the applicable sales agreement, which is variable based on commodity pricing. The Company estimates its sales volumes based on company-measured volume readings. Natural gas, NGL and oil sales are adjusted in subsequent periods based on data received from the Company's purchasers that reflects actual volumes and prices received which is typically within two months of transfer of control to the purchaser. Historically, the difference between estimated and actual sales revenues have not been material. For the years ended December 31, 2021 and 2020, the impact of any natural gas imbalances was not significant.

In conjunction with its sales of natural gas, the Company records marketing revenues based on estimated underlying variable consideration pricing and delivered volumes. Marketing revenues are adjusted in subsequent periods based on data received from the Company's purchaser or trading partner. Historically, the difference between estimated and actual marketing revenues has not been material. The Company considers the amount of marketing revenues recognized during the year ended December 31, 2021 to be unusual.

The Company also generates revenues from its non-operated midstream interests. Midstream revenues are recognized when services are rendered based on quantities transported and measured according to the underlying contract. The Company records midstream revenue based on volumes at stated contractual rates. The Company estimates its volumes based on third-party data. Midstream revenues are adjusted in subsequent periods based on data received from the operator that reflects actual volumes which is typically within three months.

All of the Company's revenues are generated in the states of Pennsylvania and Texas. Revenues consist of the following:

	Year ended December 31, 2021		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 131,207	$465,843	$597,050
Natural gas liquids	—	225,135	225,135
Oil	—	7,560	7,560
Total production revenues	$ 131,207	$698,538	$829,745
Marketing revenues	—	52,616	52,616
Non-operated midstream revenues	6,917	—	6,917
Total	$ 138,124	$751,154	$889,278

	Year ended December 31, 2020		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 45,102	$56,656	$101,758
Natural gas liquids	—	11,952	11,952
Oil	—	1,333	1,333
Total production revenues	$ 45,102	$69,941	$115,043
Non-operated midstream revenues	7,458	—	7,458
Total	$ 52,560	$69,941	$122,501

Contract Balances

Receivables from contracts with customers are recorded when the right to consideration becomes unconditional, generally when control of the product has been transferred to the customer. Under the

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Company's sales contracts, the Company invoices customers after its performance obligations have been satisfied, at which point payment is unconditional. As of December 31, 2020, and 2021, the Company's receivables from contracts with customers were $100.4 million and $73.8 million, respectively.

Note 10 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities included in current liabilities consists of the following:

	As of December 31,	
(in thousands)	**2021**	**2020**
Accounts payable	$ 32,237	$ 8,706
Commodity derivative settlements payable	43,252	—
Commodity derivative monetizations payable	23,175	
Revenues payable	29,871	4,333
Other accrued liabilities	38,301	3,891
Total	$166,836	$16,930

Note 11 — Equity-based Compensation

On January 1, 2021 the BKV Corporation 2021 Long Term Incentive Plan (the "Plan") was established by the adoption of the Plan by the Board of Directors, which allows for the grant of incentive awards to employees and non-employee directors of the Company in the form of restricted stock units ("RSU"). Each RSU represents the contingent right to receive one share of common stock of the Company. As of December 31, 2021, the maximum number of RSU's authorized to be awarded under the Plan was 14,941,176. However, of the total authorized RSU's under the plan, only 60% may be awarded on or before December 31, 2022 without written approval of the Board of Directors of the Company. Thereafter, no more than 80% of the total RSU's may be awarded without the written approval of the Board of Directors of the Company. For accounting purposes, management evaluated grants of incentive awards from the Plan under ASC 718 — *Compensation — Stock Compensation* and determined a grant date, for all annual incentive awards, including those anticipated to be legally granted in the three years subsequent to the initial incentive award date, was established because all grant date criteria had been satisfied and compensation expense and forfeitures were accounted for accordingly. Under ASC 718 — *Compensation — Stock Compensation,* as of December 31, 2021, 14,882,898 RSU's were considered to have been granted under the plan when taking into consideration performance RSU's at the maximum performance level and time-based restricted stock units anticipated to be legally granted in the three years following the initial incentive award date. Of the awards considered granted under ASC 718 — *Compensation — Stock Compensation* during the year ended December 31, 2021, 1,969,801 RSU's are not considered legally granted.

RSU's are granted in the form of Performance-Based Restricted Stock Units ("PRSU") and Time-Based Restricted Stock Units ("TRSU"). The shares of common stock issued in settlement of the RSU's include a put right (the "Plan Put Right") available to the incentive award grant recipients (the "Participants"). If a Participant's employment is terminated due to voluntary resignation, and certain other conditions are met, a Participant is able to elect the Company to purchase the shares issued in settlement of his or her RSU's at fair market value of the Company's common stock at the time the election is made by the Participant. The Plan Put Right is only available to Participants upon the occurrence of certain events as defined in the Plan. As discussed below in "Modification of Terms," this Plan Put Right was modified on November 5, 2021 to add a one hundred eighty-one-day holding period following vesting of the RSU's. In addition, the Company has a purchase right (the "Call Right") which allows for the purchase of shares of common stock issued in the settlement of the RSU's from terminated participants at fair market value on the date of the purchase, at the Company's discretion. As discussed below in "Modification of Terms," this Call Right was modified on November 5, 2021 to add a one hundred eighty-one-day holding period following vesting of the RSU's.

These features, specifically the Plan Put Right, required the Company to treat the incentive awards as cash-settled or liability classified in the Consolidated Balance Sheets of the Company until the Plan was modified as described below. Under liability treatment, the Company incurred $26.7 million of equity-based compensation expense which is included within the Consolidated Statement of Operations as general and administrative expense. Valuation methodologies used were consistent with those described below.

Modification of terms

On November 5, 2021, the Board of Directors of the Company approved the First Amendment to the BKV Corporation 2021 Long Term Incentive Plan (the "Plan Amendment"). The Plan Amendment included a provision to require all Participants of the Plan to hold vested shares of common stock issued in settlement of RSU's for a minimum of one-hundred eighty-one days (the "Holding Period") prior to having the ability to exercise the Plan Put Right. The Amendment also applied the Holding Period to the Call Right. Upon modification, the RSU's under the plan are considered to be settled in equity, as the Holding Period is a reasonable period of time to experience the risk and rewards of an equity instrument. However, due to the existence of the Plan Put Right, the Company recognized the incentive awards within mezzanine equity on the Consolidated Balance Sheet as of the date of Plan Amendment. The fair market value of the RSU's prior to the modification was $25.3 million. This amount was transferred from liabilities into mezzanine equity on the Consolidated Balance Sheets of the Company. All Participants of the plan agreed to the terms of the Plan Amendment. See *Note 12 — Stockholders' Equity and Mezzanine Equity* for additional discussion of the Company's treatment of equity-based compensation within mezzanine equity.

The Amendment also established the Sell Fund Repurchase Program (the "Sell Fund"). Under the Sell Fund, Participants are able to tender for repurchase their vested shares of common stock to the Company after the required Holding Period, to the extent expressly permitted under their respective award agreements. On December 21, 2021, the Board of Directors of the Company approved the opening of the Company's first Sell Fund window, which closed on December 29, 2021. The opening of the Sell Fund window set forth requirements which limited participants in the number of shares that can be tendered, and a limitation whereby in aggregate, the total value of shares tendered by all Participants cannot exceed $2.0 million per year. Sell Fund windows can be opened twice per year, and the Sell Fund will remain in effect until the earlier of December 31, 2023 or the initial public offering of the Company. During the year ended December 31, 2021, the Company repurchased 9,949 shares at $11.06 per share for a total of $0.1 million.

Performance-Based Restricted Stock Units

During the year ended December 31, 2021, the Company granted 12.3 million PRSU's under the Plan taking into consideration performance shares at the maximum performance level. The PRSU's are subject to a three year vesting or performance period beginning January 1, 2021 and ending on the earlier of December 31, 2023 (the "Performance Period") or the Initial Public Offering of the Company. All PRSU's cliff vest based on and subject to the achievement of the performance criteria upon the earlier of an initial public offering of the Company, change in control, or December 31, 2023.

The table below summarizes the PRSU activity for the year ended December 31, 2021:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested PRSU's at January 1, 2021	—	$ —
Granted[1]	12,257	$ 10.90
Forfeited[1]	(668)	$ (10.90)
Unvested PRSU's as of December 31, 2021	11,589	$ 10.90

(1) Granted and forfeited award amounts take into consideration performance shares at the maximum performance level

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

The PSRU's are eligible to be earned based on three performance conditions: (1) Annualized Total Shareholder Return ("TSR") of fully diluted common stock during the performance period, (2) Return on Capital Employed ("ROCE") based on the average annual performance over the Performance Period, and (3) IPO readiness which is based on the Company's capability to be listed on a public stock exchange at certain points during the performance period. Between 0% and 100% of the PRSU's at maximum performance level are eligible to be earned based on the Company achieving the following pre-established goals:

		Performance Conditions		
	Weight	Minimum Threshold (0%)	Target Threshold (50%)	Maximum Threshold (100%)
TSR	60%	5%	12.5%	20%
ROCE	20%	—%	7%	14%
IPO readiness (capability dates)	20%	12/31/2024	12/31/2023	12/31/2022

The TSR component of the awards is a market-based condition valued utilizing the Monte Carlo Simulation pricing model, which calculates multiple potential outcomes and establishes grant date fair value based on the most likely outcome. For the purposes of grant date fair value, the TSR component assumes a risk-free rate of 0.52% and volatility of 40.0%, see *Note 2 — Summary of Significant Accounting Policies (p) Fair value of Financial Instruments*, for the Level 3 unobservable input used in the determination of the grant date fair value of the TSR. The weighted average grant date fair value, considering the modification date, of the TSR component was $10.72.

ROCE and IPO readiness are considered to be non-market performance conditions. Thus, the likelihood of achievement must be reassessed at every reporting period, and compensation expense is adjusted accordingly. As of December 31, 2021, management estimates IPO readiness will be achieved at the maximum performance level or 100%, and ROCE performance to be greater than the target performance level at approximately 66%. Accordingly, adjustments were made to compensation expense during the year ended December 31, 2021 to reflect the estimated levels of achievement. In addition to the level of achievement, the adjustment takes into account the per share grant date fair value of the Company's common stock of $11.06 as of the modification date. The grant date fair value of the PSRU's presented in the activity for the year ended December 31, 2021 takes into account the grant date fair value for ROCE, IPO readiness, and TSR due to the non-market performance conditions being probable of achievement as of the modification date which establishes a grant date fair value.

As of December 31, 2021, there was $52.2 million of unrecognized compensation expense related to the PRSU awards which will be amortized over a weighted average period of 2 years.

After the modification of terms, equity-based compensation expense related to the PRSU's was $3.1 million during the year ended December 31, 2021.

Time-Based Restricted Stock Units

During the year ended December 31, 2021, the Company granted 2.6 million TRSU's under the Plan. Of the 2.6 million TRSU's granted during the year ended December 31, 2021, 2.0 million TRSU's are not considered legally granted, but meet the grant date criteria under ASC 718 *Compensation — Stock Compensation*. Under the applicable provisions of the Plan, the TRSU incentive award was anticipated to be granted in the form of four annual awards. One quarter of the annual award requires no service for vesting and vests immediately upon the grant date. The remaining three quarters of the annual award vest in equal portions upon the subsequent three anniversary dates following the grant date. The remaining annual awards are anticipated to be granted on the first, second and third anniversaries of the initial TRSU award date, subject to continued employment with the Company and board approval. Vesting for these anticipated three annual awards is expected to follow the same vesting schedule as the first annual awards based on the

legal grant date. Upon an initial public offering of the Company, all unvested and legally granted and outstanding awards under the Plan will vest immediately. Awards accounted for as granted under ASC 718 *Compensation — Stock Compensation*, but not legally granted at such time, will not vest and will be treated accordingly.

The following table summarizes the TRSU activity for the year ended December 31, 2021:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested TRSU's at January 1, 2021	—	$ —
Granted[(1)]	2,626	$ 11.06
Vested	(164)	$ —
Forfeited	(134)	$ (11.06)
Unvested TRSU's as of December 31, 2021	2,328	$ 11.06

(1) Represents number of awards considered granted under ASC 718 C *ompensation — Stock Compensation*. Of these, 1,969,801 are not considered legally granted.

As of December 31, 2021, there was $22.4 million of unrecognized compensation expense related to the TRSU awards which will be amortized over a weighted average period of five years. The grant date fair value for each TRSU was $11.06 per unit, which represents the fair market value of the Company's common stock upon modification.

After the modification of terms, stock-based compensation expense related to the TRSU's was $0.5 million during the year ended December 31, 2021.

Tax Impact

During the year ended December 31, 2021, the Company recognized $6.6 million of tax benefit related to equity-based compensation.

Subsequent Activity

From December 31, 2021 and through the date the consolidated financial statements were available for issuance, the Company granted an additional 484,500 RSU's, comprised of 399,000 PRSU's (assuming maximum performance) and 85,500 TRSU's. Of the 85,500 TRSU's granted, 64,125 are not considered legally granted. In addition, of the 1,969,801 TRSU's considered granted under ASC 718 *Compensation — Stock Compensation,* but not legally granted during the year ending December 31, 2021, 620,789 of those awards have been legally granted since December 31, 2021, 134,289 of those awards were forfeited and the remaining 1,483,301 of those awards remain as considered to be granted under ASC 718 *Compensation — Stock Compensation,* but not yet legally granted.

Note 12 — Stockholders' Equity and Mezzanine Equity

On May 1, 2020, as part of the Corporatization Event described in *Note 18 — Corporatization Event*, the Company authorized 150,000,000 shares of common stock at $0.01 par and issued 94,700,000 of those shares in a private exchange with the partners in BKV O&G and the members of KV.

On December 15, 2020, the Company authorized an additional 150,000,000 shares of common stock and 80,000,000 shares of preferred stock, increasing the authorized shares of capital stock to 380,000,000.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Common Shares issued and outstanding

On October 1, 2020, the Company issued 22,284,000 shares of common stock to an existing investor for $222.8 million.

On December 15, 2020, the Company issued 100,000 shares of common stock to a new investor for $1.0 million, net of associated costs. These shares were issued in conjunction with the issuance of 9,900,000 shares of Series A Redeemable Preferred stock to the same investor.

In April of 2021, the Board of Directors of the Company declared a cash dividend of $0.75 per share of common stock at the time of the declaration for a total of $88.1 million which was paid to common stock shareholders in May of 2021.

As of December 31, 2021 and 2020, the Company had 117,102,214 and 117,084,000 common shares issued and outstanding, respectively. See discussion below in the *Treasury Stock* section of this note for discussion of redemptions and purchases of the Company's own common stock during the year ended December 31, 2021.

Minority Ownership Puttable Shares — Mezzanine Equity

Of the 94,700,000 shares issued on May 1, 2020, 2,228,771 shares were issued to certain non-controlling management shareholders of BKV as a part of the Corporatization of BKV and 2,000,000 shares were issued as part of the merger with KV. The shares issued to the non-controlling management shareholders include a put and call feature which requires BKV to repurchase shares from these shareholders upon the occurrence of certain events stipulated in the Stockholders' Agreement at either $10.00 per share or the fair value per share, depending on the type and timing of the triggering event. In addition, BKV may call and repurchase the shares issued to the non-controlling management shareholders upon the occurrence of certain events stipulated in the Shareholders' Agreement at either $10.00 per share or the fair value per share, depending on the type and timing of the triggering event. The Stockholders' Agreement, and these put and call features, will terminate upon completion of an initial public offering by the Company. Since the shares are not mandatorily redeemable, but can become redeemable at the option of the holder, the fair value of non-controlling management common stock shares upon issuance of $42.3 million was recognized within mezzanine equity. As of December 31, 2021 Management has determined it is probable that the shares will become redeemable at the end of the three-year period and has elected to carry the shares at redemption value, or fair value, in mezzanine equity on the Consolidated Balance Sheets. During the years ended December 31, 2021 and 2020, the Company recognized adjustments of $6.9 million and $0.0 million, respectively, to the carrying value of the shares to adjust to redemption value.

During the year ended December 31, 2021, certain shares were redeemed (see *Treasury Stock* for share counts and redemption prices) causing the specific redeemed shares to no longer retain the previously mentioned right. Accordingly, upon redemption the redeemed shares and associated carrying values were reclassified to permanent equity.

Employee Stock Purchase Plan — Mezzanine Equity

On July 16, 2020, the Company adopted the BKV Corporation Employee Stock Purchase Plan (the "ESPP"). The ESPP reserved 7,470,588 shares of common stock for purchase by eligible employees of the Company. The number of shares available is subject to adjustment based on anti-dilution provisions in the Shareholder's Agreement. The ESPP was activated on November 1, 2021 through the completion of the First Amendment to the ESPP. As amended, the ESPP allows for certain eligible non-employees and members of the Board of Directors of the Company to purchase shares under the ESPP in addition to eligible employees of the Company. As of December 31, 2021, the Company had issued 287,209 shares of common stock under the ESPP. The shares sold under the ESPP include a put right which allows for holders of the ESPP shares to require the Company to the purchase the shares upon the occurrence of certain events

stipulated by the ESPP. The shares can also be purchased by the Company, at its discretion upon the occurrence of certain events as stipulated in the ESPP. Because the shares are not mandatorily redeemable, but can become redeemable at the option of the eligible employee, non-employee or Director, the fair value of the shares of common stock sold under the ESPP of $3.3 million was recognized within mezzanine equity as of December 31, 2021. Management has determined it is probable that the shares will become redeemable and has elected to carry the shares at redemption value, or fair value, in mezzanine equity on the Consolidated Balance Sheets. During the year ended December 31, 2021, the Company recognized an adjustment of $0.1 million to the carrying value of the shares.

Equity-based Compensation — Mezzanine Equity

As discussed in *Note 11 — Equity-based Compensation,* the Plan includes the Plan Put Right which provides that, if a Participant's employment is terminated due to voluntary resignation, and certain other conditions are met, such Participant is able to elect to require the Company to purchase the shares issued in settlement of his or her RSU's at fair market value of the Company's common stock at the time the election is made by the Participant. Participants may not exercise this right for at least one-hundred eighty-one days after the vesting of the shares of common stock issued in settlement of the RSU's. Management has determined it is probable the shares issued in settlement of the RSU's upon vesting will become redeemable and has elected to carry the shares at redemption value which equals fair market value. During the year ended December 31, 2021, the Company recognized an adjustment to the pro-rata portion of the RSU's which have vested in the amount of $5.0 million.The maturities related to the redemption feature are in accordance with the vesting terms discussed in *Note 11 — Equity-based Compensation*, taking into account the three year and one hundred eighty one day holding periods. During the year ended December 31, 2021, the Company issued 116,347 shares of common stock in settlement of vested incentive awards. Those shares of common stock are included in equity-based compensation within mezzanine equity on the Consolidated Balance Sheet of the Company at redemption value or $1.4 million.

Preferred Shares — Mezzanine Equity

On December 15, 2020, the Company authorized 80,000,000 shares of preferred stock at $10.00 par value per share. Of the shares of preferred stock authorized, 9,900,000 shares were designated as par Series A Redeemable Preferred Stock ("Series A") and these designated shares were issued in a private placement for $99.0 million. Cost associated with the issuance was $4.1 million. These shares were issued in conjunction with 100,000 shares of common stock also issued on December 15, 2020.

Series A shares carry quarterly cumulative dividends at a rate of 10% per annum for the first five years, 18% per annum for years 6 through 10, and 20% per annum, thereafter. The holder may only redeem the Series A shares upon the occurrence of liquidation, winding-up, dissolution or change in control of the Company. The Company may also redeem the Series A shares, in whole or in part, at any time. Upon redemption by either party, the redemption value is at price equal to $12.25 per share plus unpaid accumulated dividends at the time of redemption. Holders of the preferred shares do not have voting rights with respect to their preferred shares, however they are allowed certain consensual rights. The Series A shares include conversion features allowing for conversion into 7,425,000 shares of a new series of preferred stock and 34,873,941 shares of common stock. However, the shares do not become convertible until 10 years from the date of issuance. The number of conversion shares are adjusted pro-rata for any redemptions prior to conversion. Since the Series A shares can become redeemable at the option of the holder, but are not mandatorily redeemable, the Series A shares are classified as mezzanine equity. As discussed in *Note 2 — Summary of Significant Accounting Policies* , the Company adopted ASU 2020-06, therefore the Company has reflected the carrying value of the Series A shares as $94.9 million within mezzanine equity on the Consolidated Balance Sheet of the Company as of December 31, 2020. In addition, management has determined it is probable the Company will exercise it redemption rights prior to the increase in cumulative

dividends after year five, therefore the carrying value of the shares is being accreted to redemption value over the expected five year period. During the year ended December 31, 2021, the Company recognized $3.7 million in related accretion.

During April of 2021, the Board of Directors of the Company declared a dividend payable to Common Stockholders which in turn required payment of the cumulative dividends on the Series A shares. During May of 2021, the Company paid $10.3 million in dividends to preferred stock shareholders. The dividend payment represented cumulative dividends for the period of December 15 through December 31, 2020, and the year ended December 31, 2021. In conjunction with the dividend, as required by the Series A shareholders agreement, the Company redeemed 501,000 shares of outstanding preferred stock for $6.1 million, of which $1.3 million represented a deemed dividend to Series A shareholders for required premiums paid upon redemption. The deemed dividend represents the difference between the redemption amount paid by the Company and the carrying value of the preferred stock prior to redemption and is reflected as such within the Consolidated Statement of Stockholders' Equity for the year ended December 31, 2021.

On October 8, 2021, the Company notified the holders of the remaining outstanding shares of preferred stock their shares would be redeemed on October 18, 2021. The Company paid $115.1 million in order to redeem the remaining outstanding shares for preferred stock, of which $25.0 million represented a deemed dividend to preferred shareholders for required premiums paid upon redemption. The deemed dividend represents the difference between the redemption amount paid by the Company and the carrying value of the preferred stock prior to redemption and is reflected as such within the Consolidated Statement of Stockholders' Equity for the year ended December 31, 2021.

As of December 31, 2021 and 2020, the Company had 0 and 9,900,000 shares of Series A shares issued and outstanding, respectively.

Treasury Stock

On October 18, 2021 the Company purchased 100,000 shares of its common stock in conjunction with the redemption of the remaining outstanding shares of Series A shares on the same date. The shares were repurchased for $1.1 million at a price of $11.06 per share.

As discussed in *Note 11 — Equity-based Compensation*, during the year ended December 31, 2021 the Company purchased 9,949 shares of its common stock for $0.1 million at a price of $11.06 per share.

During February, April and December of 2021, the Company purchased 275,393 shares of common stock from non-controlling management shareholders for $2.8 million at a price of $10.00 per share.

Note 13 — Equity Method Investment

On July 30, 2021, the Company completed the formation of a 50/50 joint venture named BKV-BPP Power, LLC (the "Joint Venture") with BPP US. The Joint Venture was formed for the sole purpose of purchasing and operating a power plant and other related activity. During August 2021, the Company contributed $43.0 million to the Joint Venture in the form of a deposit for the purchase of the Temple I power plant (the "Power Plant"). On November 1, 2021 the Joint Venture completed the purchase of the Power Plant for $440.9 million. To complete the purchase on November 1, 2021, the Company contributed an additional $44.0 million, and BPP US contributed an equal $87.0 million. In addition to the contributions from the members of the Joint Venture, $141.0 million was provided from BPP US in the form of a term loan, and $141.0 million was provided by the Company's majority shareholder BNAC also in the form of a term loan. Both term loans mature on November 1, 2023. Of the total $282.0 million term loans provided by affiliates, $15.0 million was for the purposes of working capital.

In December 2021, the Company entered into an Administrative Service Agreement (the "ASA") with the Joint Venture. Under the ASA the Company provides certain services as required by the ASA and in

return receives an annual fee of $2.6 million until December 1, 2022, with options to extend. During the year ended December 31, 2021, the Company recognized $0.2 million of revenues related to the services provided under the ASA which is included in other revenues on the Consolidated Statements of Operations and Comprehensive Loss.

The Joint Venture is independently operated and jointly controlled by BKV Corp and BPP US through a Board of Directors consisting of eight members, four of which are appointed by BKV Corp. The remaining four members of the Board of Directors of the Joint Venture are appointed by BPP US. The Joint Venture was determined to be a variable interest entity due to its need for additional funding from its members. BKV Corp has not been determined to be the primary beneficiary of the Joint Venture; while the majority of the ability to influence the significant activities of the Joint Venture is controlled by the Board of Directors, certain rights to influence the significant activities of the Joint Venture have been retained solely by BPP US as defined by the Joint Venture's LLC agreement. Accordingly, the equity method of accounting is used by BKV Corp to account for its interest in the Joint Venture. BKV Corp's initial investment, including direct transaction costs, was $88.4 million, which represents the Company's maximum exposure to loss from the investment.

During the year ended December 31, 2021, the Company recognized, based on its 50% ownership interest in the Joint Venture, earnings of $0.9 million for the period beginning November 1, 2021 through December 31, 2021.

The tables below sets forth the summarized financial information of the Joint Venture:

Balance Sheet (in thousands)	December 31, 2021
Current assets	$ 35,957
Noncurrent assets	454,333
Total assets	$ 490,290
Current liabilities	$ 24,067
Noncurrent liabilities	290,440
Total liabilities	314,507
Members' equity	175,783
Total liabilities and members' equity	$ 490,290

Income Statement (in thousands)	Period beginning November 1, 2021 through December 31, 2021
Revenues	$ 20,186
Variable operating expenses	13,388
Gross Profit	6,798
Operating expenses	9,659
Loss from operations	(2,861)
Net income	$ 1,819

Note 14 — Credit and Other Risk

Credit risk is defined as the risk of a counterparty to a contract failing to perform or pay the amounts due.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

BKV is exposed to credit risks in its operating and financing activities. BKV's maximum exposure to credit risk is partially related to financial assets recorded on the Consolidated Balance Sheets, including commodity derivative instruments that have a positive market value. Additionally, BKV maintains its primary bank accounts with a single large, global bank.

The Company is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Company.

The Company is subject to U.S. federal income tax as well as income in various state jurisdictions, and the Company's operating cash flow is sensitive to the amount of income taxes the Company must pay. In the jurisdictions in which the Company operates or previously operated, income taxes are assessed on earnings after consideration of all allowable deductions and credits. Changes in the types of earnings that are subject to income tax, the types of costs that are considered allowable deductions (such as intangible drilling costs) and the timing of such deductions, or the rates assessed on our taxable earnings would all impact our income taxes and resulting operating cash flow. In addition, new taxes are from time to time proposed and, if enacted, could adversely impact the Company.

Substantially all of the Company's accounts receivable result from the sale of natural gas and joint interest billings. The Company sells natural gas, NGLs and oil to fewer than five customers and bills working interest owners for costs related to development of the Company's natural gas properties. The Company does not believe that the loss of any of these customers would have a material adverse effect on the consolidated financial statements because alternative customers are readily available. As of December 31, 2021, one purchaser accounted for more than 10% of natural gas, NGL, and oil revenues and 10% of accounts receivables, respectively. As of December 31, 2020, one purchaser accounted for more than 10% of natural gas, NGL, and oil revenues and 10% of accounts receivables.

Note 15 — Commitments and Contingencies

From time to time, the Company may be subject to various claims, title matters and legal proceedings arising in the ordinary course of business, including environmental contamination claims, personal injury and property damage claims, claims related to joint interest billings and other matters under natural gas operating agreements and other contractual disputes. The Company maintains general liability and other insurance to cover some of these potential liabilities. All known liabilities are fully accrued based on the Company's best estimate of the potential loss. While the outcome and impact on the Company cannot be predicted with certainty, the Company believes that its ultimate liability with respect to any such matters will not have a significant impact or material adverse effect on its financial positions, results of operations or cash flows. Results of operations and cash flows, however, could be significantly impacted in the reporting periods in which such matters are resolved.

The Company was involved in an arbitration against an operator related to the breach of various provisions of a certain agreement related to the construction and operation of a midstream gathering system. On February 18, 2022 the Company agreed to a settlement with the operator, and as a result, received payment of $35.0 million to settle all past disputes and agreed to a midstream gathering rate going forward. As of December 31, 2021, no accrual has been recorded in respect to the damages, interest and reimbursable fees or agreed upon rates. Of the $35.0 million, $18.1 million will be considered as collection of accounts receivable which is included in the Company's Consolidated Balance Sheet as of December 31, 2021.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

The Company has volume commitments in the form of gathering, processing and transportation agreements with various third-parties that require delivery of 1,060,029,489 dekatherms of natural gas. The majority of the agreements terminate by 2026, with one agreement extending through 2036. As of December 31, 2021, the aggregate undiscounted future payments required under these contracts total $256.2 million. The Company expects to fulfill the commitments from existing productive wells.

The Company has committed to spend $3.5 million on a field compression related capital project during the year ended December 31, 2022.

The Company may potentially be responsible for remitting lease related payments to certain leaseholders and has recorded a liability of approximately $5.7 million. Of the $5.7 million, $0.4 million was incurred during the year ended December 31, 2021. The Company will continue to evaluate these estimates and revise any recorded obligations and contingencies as necessary. During the year ended December 31, 2021, there was no change to the estimated value of $5.3 million of liabilities previously reported in the December 31, 2020 Consolidated Balance Sheet.

As a part of the consideration paid for the asset acquisition described in *Note 3 — Natural Gas Properties & Other Property and Equipment*, additional cash consideration will be required to be paid if certain hurdle rates are reached related to future average closing Henry Hub natural gas and West Texas Intermediate crude oil prices during the period beginning January 2021 through December 31, 2024. As of December 31, 2021, the 2021 portion of the arrangement is considered to be settled resulting in a settlement of $65.0 million which is reflected as contingent consideration payable within current liabilities on the Consolidated Balance Sheet as of December 31, 2021 and was paid on January 18, 2022. For the remaining years ending December 31, 2022 through 2024, average Henry Hub natural gas hurdle rates are $3.00/MMBTU, $3.25/MMBTU and $3.50/MMBTU, respectively; average West Texas Intermediate crude oil hurdle rates for the years ending December 31, 2022 through 2024 are $55.00/BBL, $60.00/BBL, and $65.00/BBL, respectively. The maximum amount payable under the arrangement is $195.0 million, or $65.0 million per year, for the years ending December 31, 2022-2024. Payments are due in the month following the end of the respective measurement period for which the hurdle rates are set. As described in *Note 4 — Fair Value Measurements*, management uses NYMEX forward pricing estimates for both Henry Hub and West Texas Intermediate hurdle rates and Monte Carlo simulations to determine the fair value of the contingent consideration. As of December 31, 2021 and 2020, the Company's estimate of the fair value of the unsettled contingent consideration was $142.5 million and $12.6 million, respectively. The change in the fair value of the contingent consideration from the acquisition date of October 1, 2020 through December 31, 2020, and for the year ended December 31, 2021 resulted in a reduction and an increase, respectively, to the associated liability on the Consolidated Balance Sheets and recognition of income and loss respectively, in the change in contingent purchase liabilities on the Consolidated Statement of Operations and Comprehensive Loss of $194.9 million and $7.1 million, respectively.

A summary of the Company's commitments, excluding leases and contingent consideration, as of December 31, 2021, is provided in the following table:

(in thousands)	2022	2023	2024	2025	2026	Thereafter	Total
Notes payable to related party	$166,000	$ —	$ —	$ —	$ —	$ —	$166,000
Interest on notes	1,787	—	—	—	—	—	1,787
Capital commitment	3,500	—	—	—	—	—	3,500
Volume commitments	56,786	52,663	36,339	19,382	14,782	76,211	256,163
Total	$228,073	$52,663	$36,339	$19,382	$14,782	$ 76,211	$427,450

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Note 16 — Leases

The Company's operating leases consist of leases for office space and compressors. The Company does not have finance type leases. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Instead, the short-term leases are recognized in expense on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms generally being one year, which are not recognized as part of the lease right-of-use (ROU) assets or liabilities as they are not reasonably certain to be exercised. The exercise of lease renewal options is at the discretion of the Company.

The Consolidated Statements of Operations and Comprehensive Loss include the following amounts for right-of-use-asset depreciation expense for the Company's operating leases within the indicated line items:

	Year ended December 31,	
(in thousands)	**2021**	**2020**
Depreciation, depletion and amortization	$ 389	$ 360
Lease operating and workover expense	6,876	3,145
Total	$ 7,265	$ 3,505

As of December 31, 2021, the Company's undiscounted minimum cash payment obligations for its operating lease liabilities are as follows (in thousands):

2022	$11,241
2023	947
2024	959
2025	972
2026	848
Thereafter	1,664
Total undiscounted future lease payments	$16,631
Present value adjustment	(1,226)
Net operating lease liabilities	$15,405

As of December 31, 2021 and 2020, the Company's operating leases had a weighted-average remaining lease term of 3.10 and 3.10 years, respectively, and a weighted-average discount rate of 5.06% and 5.14%, respectively. The discount rate used for operating leases is based on the Company's incremental borrowing rate at lease commencement.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Note 17 — Income Taxes

The Company's income tax (benefit) expense consisted of the following:

Tax (benefit) expense

	Year ended December 31,	
(in thousands)	**2021**	**2020**
Current tax expense		
United States federal income tax	$ 29,051	$ 1,232
Various state income taxes	3,176	—
Total current income tax expense	32,227	1,232
Deferred tax (benefit) expense		
United States federal income tax	(66,362)	37,750
Various state taxes	(6,391)	—
Total deferred income tax expense	(72,753)	37,750
Provision for income taxes	$ (40,526)	$ 38,982

Income tax (benefit) expense differs from the amount that would be computed by applying the U.S. statutory federal income tax rate of 21.0% to loss before taxes as a result of the following:

Reconciliation of the Effective Tax Rate

	Year ended December 31,	
(in thousands)	**2021**	**2020**
Loss before income taxes	$ 174,989	$ 4,364
Statutory rate	21.0%	21.0%
Income tax recovery based on statutory rate	$ (36,748)	$ (916)
(Increase) decrease in income taxes resulting from:		
State tax benefit, net of federal benefit	(4,114)	(148)
Change in state tax rate, net of federal effect	227	(8,793)
Deferred tax activity	(520)	45,627
Other, including tax credits	629	3,212
Income tax (benefit) expense	$ (40,526)	$ 38,982

Deferred income taxes reflect the impact of temporary differences between assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The tax effect of the temporary differences giving rise to net deferred tax assets and liabilities is as follows:

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Recognized Deferred Income Tax Assets and Liabilities

	As of December 31,	
(in thousands)	**2021**	**2020**
Deferred tax assets		
Fair value of derivative financial instruments	$ 31,318	$ —
Asset retirement obligations	36,680	1,346
Stock compensation	6,592	—
Contingent consideration	49,193	—
Other	3,482	862
Total deferred tax asset	$127,265	$ 2,208
Deferred tax liabilities		
Property and equipment	$ (87,554)	$(37,040)
Investment in joint venture	(668)	—
Fair value of derivative financial instruments	—	(2,371)
Other	(3,539)	(46)
Total deferred tax liability	$ (91,761)	$(39,457)
Net deferred tax asset (liability)	$ 35,504	$(37,249)

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will be realized based on a more-likely-than-not standard of judgment. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the Company's temporary differences become deductible. Management considers the scheduled reversal of deferred tax assets, projected future taxable income and tax planning strategies in making this assessment. Accordingly, as of December 31, 2021 and 2020, the Company has not recognized a valuation allowance against its deferred tax assets.

The calculation of the Company's tax liabilities involves uncertainties in the application of complex tax laws and regulations. The Company gives financial statement recognition to those tax positions that it believes are more-likely-than-not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. The Company monitors potential uncertain tax positions but does not anticipate any changes during 2022. The Company has no unrecognized tax benefit balances as of December 31, 2021, and 2020. The Company is generally subject to potential federal and state examination for the tax years on and after December 31, 2020.

Note 18 — Corporatization Event

Prior to May 1, 2020 BKV O&G, a limited partnership registered with the state of Delaware, was the sole investor in Chaffee, Chelsea, Operating, and Barnett. Together, these consolidated entities were referred to as the "Limited Partnership." The Limited Partnership's general partner was Kalnin Capital Partners LP (the "General Partner"), and the Limited Partnership was managed by a related party of the General Partner, KV (the "Investment Manager").

On May 1, 2020, the Limited Partnership's limited partner, an international investor, and the General Partner agreed to restructure the Limited Partnership and incorporate the BKV Corp entity. As there was no change in control, the assets and liabilities continued to be recorded at their carrying amounts with no adjustment to fair value and the results of operations for these entities from the beginning of the year (January 1, 2020) are included in the Consolidated Statement of Operations and Comprehensive Loss for the year ended December 31, 2020. This transaction also resulted in the measurement and recognition of

minority ownership puttable common stock shares valued at $22.3 million which is reflected in the Mezzanine equity section of the Consolidated Balance Sheets as of December 31, 2020 and is further described in *Note 4 — Fair Value Measurements* and *Note 12 — Stockholders' Equity and Mezzanine Equity*.

The Investment Manager was also merged into the new corporate structure through a business combination on May 1, 2020. Consideration of $20.0 million in the form of two million shares of common stock of the Company was paid for the acquisition of KV, in exchange for full ownership of KV resulting in the recognition of $18.4 million of goodwill which is reflected on the Consolidated Balance Sheets as of December 31, 2020. The business combination occurred to retain operational expertise of KV, the primary factor for the recognized goodwill. The shares issued for the acquisition of KV were recorded as minority ownership puttable shares with a value of $20.0 million, which is reflected in the Mezzanine equity section of the Consolidated Balance Sheets and is described further in *Note 4 — Fair Value Measurements* and *Note 12 — Stockholders' Equity and Mezzanine Equity*. The transaction costs associated with the acquisition were not material due to the nature of the business combination.

The fair value of assets acquired and liabilities assumed are as follows (in thousands):

Total consideration	$20,000
Assets acquired and liabilities assumed:	
Cash	$ 311
Accounts receivable	526
Other assets	753
Prepaid expenses	383
Other fixed assets	2,445
Right-of-use assets	3,980
Accounts payable and accrued expenses	(1,488)
Right-of-use liabilities	(5,327)
Total identifiable net assets	$ 1,583
Goodwill	$18,417

The accompanying Consolidated Statement of Operations and Comprehensive Loss includes activity of KV for the period beginning May 1, 2020 through December 31, 2020. KV does not independently generate revenues therefore there are no revenues or earnings(losses) included in the Company's Consolidated Statement of Operations and Comprehensive Loss from the acquisition date of May 1, 2020 to December 31, 2020 directly attributable to KV.

Note 19 — Earnings Per Share

On May 1, 2020, as part of the corporatization event described in *Note 18 — Corporatization Event*, the Company issued 92,700,000 shares to the partners of BKV O&G in exchange for all the assigned units of BKV O&G. The ownership levels resulting from the issuance of shares of BKV Corp upon Corporatization were consistent with those of BKV O&G prior to Corporatization. Accordingly, weighted average shares outstanding for the year ended December 31, 2020 is calculated assuming the shares issued upon Corporatization were issued and outstanding as of January 1, 2020.

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

The following securities could potentially dilute earnings per share in the future, but were excluded from the computation of diluted net income (loss) per share, as their effect would have been antidilutive:

	As of December 31,	
(in thousands)	**2021**	**2020**
Equity-based compensation – TRSU	2,328	—
Equity-based compensation – PRSU non-market condition[(1)]	4,635	—
Equity-based compensation – PRSU market condition[(1)]	6,953	—
Preferred shares	—	34,849

(1) Potentially dilutive share count for non-market and market conditions assumes maximum performance (see *Note 11 — Equity-based compensation*).

Note 20 — Subsequent Events

The Company has evaluated its subsequent events occurring after December 31, 2021 through August 12, 2022, which represents the date the consolidated financial statements are available to be issued. Except as outlined below, all such subsequent events are discussed with their relevant section within these notes to the consolidated financial statements. No further subsequent events have been identified.

On May 18, 2022, the Company entered into a Purchase and Sale Agreement ("PSA II") to acquire certain operated and non-operated interests in proved reserves and certain midstream support assets in the Barnett formation from XTO Energy Inc. for $750.0 million and additional contingent payments totaling $50.0 million if certain pricing thresholds are met in future periods. The Company paid a deposit of $75.0 million to XTO Energy Inc. in conjunction with entering into PSA II. The Company closed the transaction on June 30, 2022; the adjusted purchase price, excluding contingent consideration was $627.5 million which included the $75.0 million deposit.

On June 16, 2022 the Company entered into a Credit Agreement with a syndicate of lenders (the "Lenders") whereby the Company can borrow up to $600.0 million in the aggregate, in the form of multiple term loans during the period commencing with the effective date and ending six (6) months thereafter. The term loans under the Credit Agreement must be equal to or greater than $5.0 million; amounts repaid by the Company in respect to the term loans may not be re-borrowed under the Credit Agreement. Once drawn, the terms loans are required to be repaid annually in five equal installments. The term loans are not secured. On June 30, 2022, the Company drew a term loan of $570.0 million to fund the purchase of operated and non-operated interests in proved reserves and certain midstream support assets from XTO Energy, Inc. Interest is adjusted term SOFR + 4.75%. The proceeds of the term loans must be used to finance the aforementioned acquisition of assets from XTO Energy Inc.

Pursuant to an ISDA Master Agreement for derivative contracts (the "Master Agreement") between the Company and the counterparty thereto (the "Counterparty"), the Company is subject to a covenant that restricts the Company from creating, issuing, incurring, or assuming additional indebtedness in excess of $75.0 million. In June 2022, the Company entered into a term loan credit agreement and borrowed $570.0 million of term loans thereunder. In connection with the Company's exceeding this $75.0 million indebtedness threshold, on August 4, 2022, the Company executed the 3rd Amendment to the Master Agreement (the "3rd Amendment") with the Counterparty. Pursuant to the 3rd Amendment, the Company is required to novate or terminate, at the election of the Company, $100.0 million in derivative contracts by October 4, 2022. The terminations or novations are required to apply first to derivative contracts that relate to the period beginning January 2023 and ending March 2023 prior to electing to terminate or novate other derivative contracts outside of that period. As of December 31, 2021, the fair market value of the derivative contracts with the Counterparty for the period beginning January 2023 and ending March 2023 was $7.8 million. To the extent the Company elects to terminate any such derivative contracts, the Company

will be required to make cash payments in the applicable amount to the Counterparty, which payments would be due in the aggregate by November 30, 2022. The 3rd Amendment also includes a cross default provision pursuant to which a default by the Company related to the covenants under the Company's term loan credit agreement would cause a default under the Master Agreement. In addition, from and after such time that the Company satisfies the previously described obligations with respect to the novation or termination of such derivative contracts, the debt incurrence covenant in the Master Agreement would cease to apply.

Events Subsequent to Original Issuance of Financial Statements (Unaudited)

In connection with the reissuance of the Consolidated Financial Statements, the Company has evaluated subsequent events occurring after August 12, 2022, through November 18, 2022, the date the Consolidated Financial Statements were available to be reissued. All such subsequent events are outlined below.

From August 12, 2022, through the date the Consolidated Financial Statements were available for reissuance, the Company granted an additional 81,600 RSUs, comprised of 67,200 PRSUs (assuming maximum performance) and 14,400 TRSUs. Of the 14,400 TRSUs considered granted under ASC 718 Compensation-Stock Compensation, 10,800 are not considered legally granted, see *Note 11 — Equity-Based Compensation.*

With respect to the 3rd Amendment to the Master Agreement with the Counterparty, the Company terminated $100.2 million of derivative contracts through the date the Consolidated Financial Statements were available for reissuance. The Company is required to pay the $100.2 million of terminated derivative contracts by November 30, 2022. In addition, on October 18, 2022, the Company terminated $57.4 million of derivative contracts which is payable on March 31, 2023.

On August 1, 2022, the Company formed its wholly owned subsidiary BKVerde, LLC ("BKVerde"). On August 22, 2022, the Company entered into a management services agreement with a third party to provide general administrative and management services for carbon capture projects to BKVerde. Pursuant to the management services agreement, the Company is required to make quarterly payments of $2.0 million, beginning in August 2022 through February 2024. The agreement can be terminated with mutual consent from the Company and the third party. During this time period the third party will facilitate the administration and development of carbon capture projects.

On August 19, 2022, the Company received a cash advance from Facility II in the amount of $10.0 million.

On August 24, 2022, the Company entered into an agreement with another bank which provides for a revolving credit facility ("Facility III") with a limit of $100.0 million. Facility III is an unsecured facility committed through September 30, 2027. Cash draw downs and all applicable interest is payable at one, three, or six months from the date of the advance ("one month draw", "three month draw" and "six month draw", respectively). The interest period is determined by the Company at the time of the advance. The interest rate on any outstanding advances is adjusted term SOFR + 4.75%. On September 14, 2022, the Company took a six month draw of $45.0 million and a one month draw of $30.0 million. As of the date the Consolidated Financial Statements were available for reissuance, the Company had $45.0 million outstanding under Facility III. The Company repaid the one month draw of $30.0 million on Facility III on October 14, 2022.

On September 16, 2022, the Company repaid $116.0 million originally borrowed from the Lender on October 14, 2021, see *Note 7 — Related Parties.*

From the date the Consolidated Financial Statements were originally issued through November 18, 2022, the Company received advances, and repaid advances on the Facility. As of the date the Consolidated

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

Financial Statement were available for reissuance, the outstanding balance on the Facility was $45.0 million, see *Note 8 — Credit Facilities.*

Supplemental Oil and Gas Disclosures (unaudited)

The Company's operating natural gas properties are located solely in the United States.

Net capitalized costs relating to oil and gas producing activities

The following table shows the capitalized costs of natural gas properties and the related accumulated depreciation, depletion and amortization:

	As of December 31,	
(In thousands)	**2021**	**2020**
Developed properties	$1,378,629	1,297,144
Undeveloped properties	16,835	13,265
Total capitalized costs	1,395,464	1,310,409
Less: Accumulated depreciation, depletion, and amortization	(267,293)	(190,356)
Net capitalized costs	$1,128,171	$1,120,053

Costs incurred in natural gas and oil exploration and development

The table below sets forth capitalized costs incurred in natural gas property acquisition, exploration and development activities:

	As of December 31,	
(In thousands)	**2021**	**2020**
Undeveloped property acquisition costs	$ 3,569	2,064
Acquisitions	2,928	624,914
Development costs	77,634	10,711
Total cost incurred	84,131	637,689
Asset retirement obligations	923	772
Total costs incurred including asset retirement obligations	$85,054	$638,461

Natural gas, NGL and oil reserve quantities

Estimates of total proved reserves at December 31, 2021 and December 31, 2020 was based on studies performed by the Company's internal engineering function, and Ryder Scott, the Company's third-party reserve engineer. The estimates were computed using the 12-month average index price, calculated as the unweighted arithmetic average for the first day of the month price for each month during the respective year. The estimates were prepared by the Company's independent third party engineers, Ryder Scott. The process of estimating quantities of "proved" and "proved developed" natural gas, NGL and oil reserves is very complex, requiring significant subjective decisions in the evaluation of all available geological, engineering and economic data. The process also includes estimating the net cost of abandonment after salvage and was estimated and included for all properties for which an asset retirement obligation exists. The data may change substantially over time as a result of numerous factors including, but not limited to, additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions. As a result, revisions to existing reserve estimates may occur from time to time. Although every reasonable effort is made to ensure that reserve estimates reported represent

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

the most accurate assessments possible, the subjective decisions and variances in available data make these estimates generally less precise than other estimates included within the consolidated financial statements.

The following table illustrates the Company's net proved reserves, including changes, as well as proved and proved undeveloped reserves for the periods presented, as estimated by the Company's engineering function. All reserves are located within the continental United States:

	Natural Gas (MMcf)	NGL (MBbls)	Oil (MBbls)	Total (MMcfe)
January 1, 2020	948,801	—	—	948,801
Revision of previous estimates	(382,366)	(21)	(3)	(382,510)
Extensions and discoveries	—	—	—	—
Purchase of minerals in place	1,515,255	109,820	755	2,178,705
Improved recoveries	—	—	—	—
Production	(96,158)	(2,565)	(29)	(111,722)
December 31, 2020	1,985,532	107,234	723	2,633,274
Revision of previous estimates	828,360	45,234	258	1,101,312
Extensions and discoveries	645,338	13,722	58	728,018
Purchase of minerals in place	19,511	—	—	19,511
Improved recoveries	152,597	8,794	9	205,415
Production	(186,055)	(9,829)	(123)	(245,767)
December 31, 2021	3,445,283	165,155	925	4,441,763

	Natural Gas (MMcf)	NGL (MBbls)	Oil (MBbls)	Total (MMcfe)
Proved developed reserves as of:				
January 1, 2020	523,240	—	—	523,240
December 31, 2020	1,893,158	107,234	723	2,540,900
December 31, 2021	2,494,925	151,433	867	3,408,725
Proved undeveloped reserves as of:				
January 1, 2020	425,561	—	—	425,561
December 31, 2020	92,374			92,374
December 31, 2021	950,358	13,722	58	1,033,038

2021 Activity

During the year ended December 31, 2021, the Company's proved reserves increased by 1,808.5 Bcfe. The increase in proved reserves was primarily due to increasing commodity pricing improving economics, and additions to the drilling schedule for both proved developed and undeveloped reserves. The Company produced 245.8 Bcfe during the year ended December 31, 2021.

Revisions of previous estimates — Primarily consisted of upward revisions to proved developed reserves, and proved undeveloped reserves of 715.9 Bcfe and 245.6 Bcfe, respectively, as a result of higher average pricing during 2021 for natural gas, NGLs and oil. The remaining upward adjustment of 139.8 Bcfe relates to upward performance adjustments to proved developed reserves of 219.2 Bcfe offset by a downward revision to proved developed reserves of 79.4 Bcfe due to increased production costs.

Extensions and discoveries — Upon completing our evaluation of properties acquired through our Barnett Asset Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 143.2 Bcfe related to 13.0 gross (9.6 net) locations in the Marcellus Basin

recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 34.8 Bcfe consisted of 14 gross (5.9 net) newly drilled wells.

Improved recoveries — Consisted of 205.4 Bcfe of proved developed reserves recognized as a result of the application of improved recovery techniques to producing wells during the year ended December 31, 2021.

2020 Activity

During the year ended December 31, 2020, the Company's proved reserves increased by 1,684.5 Bcfe. The increase in proved reserves was due to the Barnett Asset Acquisition offset by downward revisions primarily due to lower average pricing for natural gas during 2020.The Company produced 111.7 Bcfe during the year ended December 31, 2020.

Revisions of previous estimates — Proved undeveloped reserves consisted of a downward revision of 146.7 Bcfe due to a combination of performance adjustments and lower average pricing of natural gas during 2020, and a downward revision of 186.5 Bcfe which removed locations due to lower average pricing of natural gas during 2020. Proved developed reserves were adjusted downward by 48.8 Bcfe due to lower average natural gas prices and performance.

Extensions and discoveries — There were no extensions and discoveries of proved developed or proved undeveloped reserves during the year ended December 31, 2020.

Standardized Measure of Discounted Future Net Cash Flows

The following information has been developed based on natural gas, NGL and oil reserve and production volumes estimated by the Company's engineering function. It can be used for some comparisons but should not be the only method used to evaluate the Company or its performance. Further, the information in the following table may not represent realistic assessments of future cash flows, nor should the Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Natural Gas Reserves ("Standardized Measure") be viewed as representative of the current value of the Company.

The following table details the Standardized Measure related to proved reserve as of the periods presented:

Future cash flows

	As of December 31,	
(in thousands)	**2021**	**2020**
Future cash inflows	$15,029,839	$ 4,414,787
Future production costs	(6,840,969)	(2,954,242)
Future development costs[(1)]	(1,051,911)	(333,804)
Income tax expense	(1,501,984)	(98,882)
Future net cash flows	5,634,975	1,027,859
10% annual discount for estimated timing of cash flows	(3,222,086)	(517,449)
Standardized measure of discounted future net cash flows related to proved reserves	$ 2,412,889	$ 510,410

(1) Includes abandonment costs.

The following table summarizes the changes in the Standardized Measure for the years ended December 31, 2021 and 2020:

BKV CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

(in thousands)	For the Years Ended December 31, 2021	2020
Balance, beginning of period	$ 510,410	$ 406,824
Net change in sales and transfer prices and in production (lifting) costs related to future production	1,768,893	(284,282)
Changes in estimated future development costs	(393,235)	114,330
Sales and transfers of natural gas, NGLs and oil produced during the period	(522,403)	(83,783)
Net change due to extensions, discoveries and improved recovery	183,332	—
Purchase of minerals in place	19,050	513,183
Net change due to revisions in quantity estimates	1,266,086	(161,762)
Previously estimated development costs incurred during the period	60,406	13,540
Net change in future income taxes	(611,031)	(50,548)
Accretion of discount	56,096	40,682
Changes in timing and other	75,285	2,226
Total discounted cash flow as end of period	$ 2,412,889	$ 510,410

BKV CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 167,143	$ 134,667
Restricted cash	17,473	—
Accounts receivable, net	174,039	104,143
Accounts receivable, related parties	380	3,498
Inventory	7,684	4,975
Commodity derivative assets	1,466	9,986
Other current assets	4,552	4,109
Total current assets	372,737	261,378
Natural gas properties and equipment		
Developed properties	2,216,617	1,378,629
Undeveloped properties	17,125	16,835
Midstream assets	310,259	55,363
Accumulated depreciation, depletion, and amortization	(340,235)	(274,710)
Total natural gas properties, net	2,203,766	1,176,117
Other property and equipment, net	31,615	22,124
Right of use assets	7,069	14,233
Goodwill	18,417	18,417
Investment in joint venture	103,878	89,320
Deferred tax asset	—	35,504
Other noncurrent assets	10,883	3,735
Total assets	$ 2,748,365	$ 1,620,828
Liabilities, mezzanine equity and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 318,518	$ 166,836
Right of use liabilities	3,916	10,713
Commodity derivative liabilities	214,658	91,156
Notes payable to related party	—	166,000
Credit facilities	130,000	—
Current portion of long-term debt, net	111,950	—
Other current liabilities	104,710	95,660
Total current liabilities	883,752	530,365
Asset retirement obligations	212,172	158,968
Commodity derivative liabilities	50,374	23,662
Note payable to related party	75,000	—
Long-term debt, net	451,754	—
Other noncurrent liabilities	138,033	152,894
Total liabilities	1,811,085	865,889

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	September 30, 2022	December 31, 2021
Commitments and contingencies (Note 14)		
Mezzanine equity		
Common stock – Minority ownership puttable shares; 4,581 authorized shares; 4,581 and 4,357 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	68,102	49,841
Equity-based compensation	91,128	34,006
Total mezzanine equity	159,230	83,847
Stockholders' equity		
Common stock, $.01 par value; 300,000 authorized shares; 117,326 and 112,745 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	1,132	1,132
Treasury stock, shares at cost; 386 shares and 385 shares at September 30, 2022 and December 31, 2021, respectively	(3,974)	(3,970)
Additional paid-in capital	886,460	933,622
Accumulated deficit	(105,568)	(259,692)
Total stockholders' equity	778,050	671,092
Total liabilities, mezzanine equity and stockholders' equity	$ 2,748,365	$ 1,620,828

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues and other operating income				
Natural gas, NGL and oil sales	$ 568,037	$ 227,029	$1,224,473	$ 516,372
Midstream revenues	2,737	1,557	6,080	5,529
Derivative losses, net	(269,529)	(322,329)	(720,312)	(500,604)
Marketing revenues	1,869	950	7,197	51,246
Other	680	—	2,008	—
Total revenues and other operating income (loss)	303,794	(92,793)	519,446	72,543
Operating expenses				
Lease operating and workover	41,537	23,730	86,870	64,244
Taxes other than income	45,165	11,756	86,164	28,453
Gathering and transportation	54,524	47,531	153,281	124,287
Accretion of asset retirement obligations	3,554	2,535	8,874	7,439
Depreciation, depletion and amortization	31,808	20,377	68,606	61,219
Exploration and impairment	—	—	—	34
General and administrative	55,833	24,664	107,341	62,653
Accretion of right of use liabilities	55	61	190	167
Total operating expenses	232,476	130,654	511,326	348,496
Income (loss) from operations	71,318	(223,447)	8,120	(275,953)
Other income and expense				
Gain (loss) on contingent consideration liabilities	826	(78,005)	(31,089)	(193,350)
Interest expense	(15,636)	—	(22,334)	(314)
Other income	535	567	1,051	628
Bargain purchase gain	—	—	163,653	—
Gain on settlement of litigation	—	—	16,866	—
Earnings from equity affiliate	38,444	—	14,486	—
Interest income	253	—	382	2
Income (loss) before income taxes	95,740	(300,885)	151,135	(468,987)
Income tax benefit (expense)	(21,915)	69,270	2,989	107,918
Net income (loss) and comprehensive income (loss) attributable to BKV Corp	73,825	(231,615)	154,124	(361,069)
Less accretion of preferred stock to redemption value	—	(1,209)	—	(3,545)
Less preferred stock dividends	—	—	—	(9,900)
Less deemed dividend on redemption of preferred stock	—	—	—	(1,353)
Net income (loss) and comprehensive income (loss) attributable to common stockholders	$ 73,825	$(232,824)	$ 154,124	$(375,867)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss) and comprehensive income (loss) per common share:				
Basic	$ 0.63	$ (1.99)	$ 1.31	$ $(3.21)
Diluted	$ 0.58	$ (1.99)	$ 1.24	$ (3.21)
Weighted average number of common shares outstanding:				
Basic	117,326	116,978	117,316	117,027
Diluted	127,344	116,978	124,597	117,027

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	$ 154,124	$(361,069)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	76,677	65,509
Equity-based compensation expense	29,320	22,838
Accretion of asset retirement obligations	8,874	7,439
Accretion of right of use liabilities	480	249
Amortization of debt issuance costs	356	—
Deferred income tax benefit	(13,520)	(193,579)
Unrealized loss on derivatives	158,735	377,035
Loss on contingent purchase liabilities	31,089	193,350
Settlement of contingent consideration	(45,300)	—
Gain on bargain purchase	(163,653)	—
Gain from equity affiliates	(14,486)	—
Loss on the sale of assets	—	46
Changes in operating assets and liabilities:		
Accounts receivable	(68,927)	(16,757)
Accounts receivable, related parties	3,118	—
Accounts payable and accrued liabilities	30,577	41,523
Income taxes payable to related party	10,037	85,609
Commodity derivative settlements payable/receivable	45,499	58,288
Other changes in assets and liabilities	(11,924)	(5,992)
Net cash provided by operating activities	231,076	274,489
Cash flows from investing activities:		
Business combination	(627,527)	—
Investment in joint venture	(72)	(43,327)
Development of natural gas properties	(125,026)	(22,709)
Other investing activities	(3,708)	(8,833)
Net cash used in investing activities	(756,333)	(74,869)
Cash flows from financing activities:		
Proceeds from notes payable from related party	75,000	—
Payments on notes payable to related party	(166,000)	(24,000)
Proceeds under term loan agreement	570,000	—
Payment of debt issuance costs	(7,738)	—
Draws on credit facilities	190,000	—
Payments on credit facility	(60,000)	—

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Settlement of contingent consideration	(19,700)	—
Payments of deferred offering costs	(5,253)	—
Redemption of minority ownership puttable shares	—	(2,226)
Issuance of minority ownership puttable shares	78	—
Dividends paid to preferred stock shareholders	—	(10,330)
Redemption of preferred stock	—	(6,138)
Dividends paid to common stock shareholders	—	(88,126)
Redemption of common stock issued through equity-based compensation plan	(4)	—
Net share settlements, equity-based compensation	(1,177)	—
Net cash provided by (used in) financing activities	575,206	(130,820)
Net increase in cash, cash equivalents and restricted cash	49,949	68,800
Cash, cash equivalents and restricted cash, beginning of period	134,667	17,445
Cash, cash equivalents and restricted cash, end of period	$184,616	$ 86,245
Supplemental cash flow information:		
Cash payments for:		
Interest	$ 8,958	$ 360
Income tax	$ 400	$ —
Non-cash investing and financing activities:		
Increase in accrued capital expenditures	$ 47,999	$ 9,011
Additions to asset retirement obligations	$ 298	$ 923
Additions to right of use assets and liabilities	$ 1,218	$ 1,692
Deferred offering costs included in accounts payable and accrued liabilities	$ 986	$ —
Fair value of contingent consideration from business combination	$ 17,150	$ —
Adjustment of minority ownership puttable shares to redemption value	$ 18,183	$ 4,246
Adjustment of equity-based compensation to redemption value	$ 28,983	$ —
Impact of redemption of minority interest puttable shares on additional paid-in capital, common stock and treasury stock	$ 4	$ 2,218
Accretion of preferred stock to redemption value	$ —	$ 3,544

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY
(In thousands, except per share amounts)
(Unaudited)

	Stockholders' Equity						Mezzanine Equity			
	Common Stock		Treasury	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount					Shares	Amount		
Balances, December 31, 2021	112,745	$1,132	$(3,970)	$933,622	$ (259,692)	$ 671,092	4,357	$49,841	$34,006	$ 83,847
Net loss	—	—	—	—	(192,349)	(192,349)	—	—	—	—
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	200	—	(1,054)	(1,054)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(14,956)	—	(14,956)	—	14,956	—	14,956
Adjustment of equity-based compensation to redemption value	—	—	—	(25,218)	—	(25,218)	—	—	25,218	25,218
Equity-based compensation	—	—	—	—	—	—	—	—	11,425	11,425
Balances, March 31, 2022	112,745	$1,132	$(3,970)	$893,448	$ (452,041)	$ 438,569	4,557	$64,797	$69,595	$134,392
Net income	—	—	—	—	272,648	272,648	—	—	—	—
Issuance of common stock from employee stock purchase plan	—	—	—	—	—	—	5	78	—	78
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	18	—	(118)	(118)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(6,411)	—	(6,411)	—	6,411	—	6,411
Adjustment of equity-based compensation to redemption value	—	—	—	(3,271)	—	(3,271)	—	—	3,271	3,271
Equity-based compensation	—	—	—	—	—	—	—	—	8,829	8,829
Balances, June 30, 2022	112,745	$1,132	$(3,970)	$883,766	$ (179,393)	$ 701,535	4,580	$71,286	$81,577	$152,863
Net income	—	—	—	—	73,825	73,825	—	—	—	—
Redemption of common stock issued upon vesting of equity-based compensation	—	—	(4)	4	—	—	—	—	(4)	(4)
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	1	—	(5)	(5)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	3,184	—	3,184	—	(3,184)	—	(3,184)
Adjustment of equity-based compensation to redemption value	—	—	—	(494)	—	(494)	—	—	494	494
Equity-based compensation	—	—	—	—	—	—	—	—	9,066	9,066
Balances, September 30, 2022	112,745	$1,132	$(3,974)	$886,460	$ (105,568)	$ 778,050	4,581	$68,102	$91,128	$159,230

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY
(In thousands, except per share amounts)
(Unaudited)

	Stockholders' Equity						Mezzanine Equity			
	Common Stock			Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity	Preferred Stock	Common Stock		Total Mezzanine Equity
	Shares	Amount	Treasury					Shares	Amount	
Balances, December 31, 2020	112,855	$1,129	—	$968,500	$ (26,773)	$ 942,856	$94,924	4,229	$42,288	$137,212
Net Income	—	—	—	—	11,886	11,886	—	—	—	—
Redemption of minority ownership puttable shares	—	2	(1,560)	1,558	—	—	—	(156)	(1,560)	(1,560)
Accretion of preferred stock to redemption value	—	—	—	(1,154)	—	(1,154)	1,154	—	—	1,154
Balances, March 31, 2021	112,855	1,131	(1,560)	968,904	(14,887)	953,588	96,078	4,073	40,728	136,806
Net loss	—	—	—	—	(141,340)	(141,340)	—	—	—	—
Dividend declared, preferred stock shareholders ($0.25 per share)	—	—	—	—	(10,330)	(10,330)	—	—	—	—
Dividend declared ($0.75 per share)	—	—	—	—	(88,126)	(88,126)	—	—	—	—
Redemption of minority ownership puttable shares	—	6	(666)	660	—	—	—	(67)	(666)	(666)
Redemption of preferred stock	—	—	—	—	—	—	(4,785)	—	—	(4,785)
Deemed dividend, preferred stock shareholders	—	—	—	(1,353)	—	(1,353)	—	—	—	—
Accretion of preferred stock to redemption value	—	—	—	(1,181)	—	(1,181)	1,181	—	—	1,181
Balances, June 30, 2021	112,855	$1,137	$(2,226)	$967,030	$ (254,683)	$ 711,258	$92,474	4,006	$40,062	$132,536
Net loss	—	—	—	—	(231,615)	(231,615)	—	—	—	—
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(4,247)	—	(4,247)	—	—	4,247	4,247
Accretion of preferred stock to redemption value	—	—	—	(1,209)	—	(1,209)	1,209	—	—	1,209
Balances, September 30, 2021	112,855	$1,137	$(2,226)	$961,574	$ (486,298)	$ 474,187	$93,683	4,006	$44,309	$137,992

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 — General Information

General

BKV Corporation ("BKV Corp") was formed on May 1, 2020 and is a corporation registered with the State of Delaware. BKV Corp is a growth driven energy company focused on creating value for its shareholders through organic development of its properties, as well as accretive acquisitions. BKV Corp's core business is to produce natural gas from its owned and operated upstream businesses.

The majority shareholder of BKV Corp is Banpu North America Corporation ("BNAC"), which owns 96.1% of BKV Corp's shares of common stock. BKV Corp's ultimate parent company is Banpu Public Company Limited, a public company listed in the Stock Exchange of Thailand. The remaining 3.9% of shares of common stock of BKV Corp are owned by non-controlling management, director, employee and non-employee shareholders who hold shares with contingent put rights that may be exercised according to conditions stipulated in the Shareholders' Agreement.

Basis of Presentation of the Unaudited Condensed Consolidated Financial Statements

These unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The condensed consolidated financial statements are unaudited and should be read in conjunction with the Company's 2021 and 2020 Consolidated Financial Statements ("Annual Financial Statements") as certain disclosures and information required by GAAP for complete consolidated financial statements has been condensed or omitted. The unaudited interim financial statements, in the opinion of management, reflect all adjustments, which include normal and recurring adjustments, necessary to fairly state the Company's financial position as of September 30, 2022, and the results of operations and comprehensive income (loss) for the three and nine months ended September 30, 2022 and 2021, and cash flows for the nine months ended September 30, 2022 and 2021. The interim results are not necessarily indicative of results to be expected for the year ending December 31, 2022 or for any other future annual or interim period. The December 31, 2021 condensed consolidated balance sheet was derived from audited consolidated financial statements, but does not include all disclosures required by GAAP.

These condensed consolidated financial statements include BKV Corp and its wholly owned subsidiaries. During 2022, the following entities were formed as wholly owned subsidiaries of BKV Corp:

- BKV Midstream, LLC ("Midstream"), a limited liability company formed March 31, 2022 and registered with the State of Delaware.
- BKV North Texas, LLC ("North Texas"), a limited liability company formed March 31, 2022 and registered with the State of Delaware.
- BKV dCarbon Ventures, LLC ("BKV dCarbon Ventures"), a limited liability company formed May 31, 2022 and registered with the State of Delaware;
    - BKVerde, LLC ("BKVerde"), a limited liability company formed August 1, 2022, wholly owned subsidiary of BKV dCarbon Ventures, and registered with the State of Delaware.

On September 19, 2022, the Company dissolved BKV O&G, and all ownership interests in subsidiaries of BKV O&G were assigned to BKV Corp.

Together, BKV Corp and its wholly owned subsidiaries are referred to collectively as "BKV" or the "Company." All intercompany balances and transactions between these entities have been eliminated within the condensed consolidated financial statements.

Significant Judgments and Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. There have been no significant changes to the Company's accounting estimates from those disclosed in the Company's Annual Financial Statements.

Deferred Offering Costs

The Company has capitalized legal and other third-party fees directly related to the Company's planned initial public offering ("IPO"). The deferred offering costs will be recorded as a reduction of the proceeds received from the planned offering. If the IPO is abandoned or significantly delayed, the deferred offering costs will be expensed. As of December 31, 2021, the Company had no deferred offering costs that were capitalized. As of September 30, 2022, the Company capitalized $6.2 million of deferred offering costs, which are included within other noncurrent assets on the condensed consolidated balance sheets.

Restricted Cash

Restricted cash as of September 30, 2022 consisted of cash borrowed under the Company's credit agreement contractually obligated to be used for the Exxon Barnett Acquisition (as defined in *Note 2 — Acquisition)*. The Company anticipates the restricted cash will be used for remaining transaction and integration costs. See *Note 2 — Acquisition* and *Note 8 — Debt* for further discussion.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the statement of cash flows:

	As of September 30,	
(in thousands)	**2022**	**2021**
Cash and cash equivalents	167,143	86,245
Restricted cash	17,473	—
Total cash, cash equivalents and restricted cash	$184,616	$86,245

Common Shares issued and outstanding

As of September 30, 2022 and December 31, 2021, the Company had 117,325,797 and 117,102,214 common shares issued and outstanding, respectively.

Liquidity

As of September 30, 2022, the Company held $167.1 million of unrestricted cash in operating accounts. The Company's working capital deficit as of September 30, 2022 was $511.0 million, which was primarily driven by commodity derivative liabilities of $214.7 million, the current portion of long-term debt of $111.9 million, borrowings under the Company's credit facilities of $130.0 million, commodity derivative settlements of $89.7 million, and monetizations payable of $70.2 million related to an amendment to an ISDA agreement, see *Note 13 — Credit and Other Risk*. For the nine months ended September 30, 2022, the Company's cash flows from operations was $231.1 million. The Company intends to make the payments related to the current portion of long-term debt, and commodity derivative settlements and monetizations payable with cash flows from operations. The commodity derivative liabilities will settle monthly during the twelve month period ending September 30, 2023 in conjunction with the corresponding commodity sales. The Company intends to use the proceeds from the corresponding commodity sales to pay the settlements of the derivative liabilities. The Company believes cash flows provided from operations and borrowings under its credit facilities are sufficient to meet cash requirements for the next twelve months and thereafter.

On October 18, 2022, the Company terminated $57.0 million of derivative contracts which amount is payable on March 31, 2023. The Company intends to pay this amount with respect to the terminated derivative contracts with cash flows from operations.

Significant Accounting Policies

The Company's significant accounting policies are described in the notes to the consolidated financial statements for the year ended December 31, 2021 included in the Company's Annual Financial Statements. There have been no significant changes in accounting policies during the nine months ended September 30, 2022.

Recently Issued Accounting Standards

As of September 30, 2022 and through the date the condensed consolidated financial statements were available for issuance (see *Note 17 — Subsequent Events*), no other Accounting Standards Updates have been issued and not yet adopted that are applicable to the Company and that would have a material effect on the Company's condensed consolidated financial statements and related disclosures.

Note 2 — Acquisition

On May 18, 2022, the Company entered into a Purchase and Sale Agreement to acquire certain operated and non-operated interests in proved reserves and certain midstream support assets in the Barnett formation (the "2022 Barnett Assets") from XTO Energy, Inc and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation (collectively, "Seller"), for $750.0 million (subject to working capital and other adjustments) and additional contingent payments totaling $50.0 million if certain pricing thresholds are met in future periods (the "Exxon Barnett Acquisition"). The Company paid a deposit of $75.0 million to the Seller in conjunction with entering into the Purchase and Sale Agreement. The Company closed the transaction on June 30, 2022; the adjusted purchase price, excluding contingent consideration was $627.5 million which included the $75.0 million deposit. As of the acquisition date, the fair value of the additional contingent payments was $17.2 million. See *Note 4 — Fair Value Measurements* and *Note 14 — Commitments and Contingencies* to unaudited condensed consolidated financial statements for discussion of the fair market value valuation methodology applied to the contingent consideration at the acquisition date and details of the contingent consideration, respectively. The Company funded the cash portion of the consideration with the proceeds from its term loan, refer to *Note 8 — Debt.*

The Exxon Barnett Acquisition was accounted for as a business combination; therefore the assets acquired and liabilities assumed were recorded based on the respective estimated acquisition date fair values with information available at the time, and the residual difference between the net assets and the purchase price was recorded as a bargain purchase gain. A combination of discounted cash flow models and market data was used by a third-party specialist, under the direct supervision of management, in determining the fair value of the natural gas properties, and midstream assets. Significant inputs into the calculation included future commodity prices, estimated volumes of natural gas, NGL and oil reserves, expectations for the timing and amount of future development and operating costs, future plugging and abandonment costs and a risk adjusted discount rate. The Company's assessment of the fair market value of the assets acquired and liabilities assumed is preliminary and subject to change as additional information is obtained by management. The Company expects to complete the purchase accounting, including the fair market value assessment during the twelve month period following the date of the acquisition. The Exxon Barnett Acquisition resulted in a bargain purchase gain, which was primarily caused by the increase in commodity pricing from the date the acquisition was originally negotiated through the closing date. The Exxon Barnett Acquisition was made to support the strategic growth of the Company and to achieve operational synergies with pre-existing assets in the Barnett formation. During the three and nine months ended September 30, 2022, the Company incurred $0.6 million and $4.0 million, respectively, of acquisition costs which are included in general and administrative expense on the condensed consolidated statement of operations and comprehensive income (loss). The results of operations for the assets acquired in the Exxon Barnett Acquisition since closing on June 30, 2022 are included in the Company's condensed consolidated statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2022 and include $114.8 million of total revenue and $69.9 million of income from operations.

The estimated purchase price consideration and fair value of assets acquired and liabilities assumed are as follows (in thousands):

Cash	$ 627,527
Contingent consideration	17,150
Total consideration	$ 644,677
Assets acquired and liabilities assumed:	
Inventory	$ 150
Natural gas properties – developed	664,665
Midstream assets	254,813
Other property and equipment	8,907
Property taxes	(9,039)
Deferred tax liability	(49,789)
Revenues payable	(16,612)
Asset retirement obligations	(44,765)
Total identifiable net assets	$ 808,330
Bargain purchase gain	$(163,653)

Unaudited Pro Forma Information. The following unaudited pro forma financial information represents a summary of the historical condensed consolidated results of operations for the three and nine months ended September 30, 2022 and 2021, giving effect to the Exxon Barnett Acquisition as if it had been completed on January 1, 2021. The pro forma financial information is provided for illustrative purposes only and are not intended to represent what the Company's financial position or results of operations would have been had the Exxon Barnett Acquisition occurred on the assumed date nor do they purport to project the future operating results or the financial position of the Company following the Exxon Barnett Acquisition.

The information below reflects certain nonrecurring and recurring pro forma adjustments that were directly related to the business combination based on available information and certain assumptions that the Company believes are reasonable, including (i) the increase in depletion and amortization reflecting the relative fair values and production volumes attributable to the Seller's natural gas properties and the revision to the depletion rate reflecting the reserve volumes acquired, (ii) the increase in depreciation expense reflecting the relative fair values attributable to the Seller's midstream assets and revision of useful lives reflecting the Company's estimate thereof, (iii) adjustments to interest expense as a result of the Company's indebtedness incurred to fund the purchase of the 2022 Barnett Assets further described in Note 8 — Debt and Note 7 — Related Parties for the $570.0 million term loan and $75.0 million related party note, respectively, (iv) increase in accretion expense reflective of the fair market value of asset retirement obligations, (v) increase of general and administrative expense during the nine months ended September 30, 2021, for transition services provided by the Seller upon acquisition, and a corresponding decrease of general and administrative expenses for the three months ended September 30, 2022 for the actual transition service expenses incurred by the Company, and (vi) the estimated tax impacts of the pro forma adjustments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Revenues and other operating income (loss)	$ 303,794	$ (6,188)	$ 742,547	$ 279,344
Net income (loss) and comprehensive income (loss) attributable to BKV Corp.	$ 77,752	$ (220,284)	$ 220,115	$ (364,707)

Note 3 — Natural Gas Properties & Other Property and Equipment

Accumulated depreciation, depletion and amortization for developed natural gas properties as of September 30, 2022 and December 31, 2021 was $330.3 million and $267.3 million, respectively. Depreciation, depletion and amortization expense for developed natural gas properties for the three months ended

September 30, 2022 and 2021 was $28.5 million and $19.1 million, respectively, and $63.0 million and $57.7 million for the nine months ended September 30, 2022 and 2021, respectively. There were no exploratory well costs pending determination of proved reserves at September 30, 2022 and December 31, 2021 and no exploratory dry hole costs during the nine months ended September 30, 2022 and 2021.

Midstream assets consisted of the following as of the periods indicated:

(in thousands)	September 30, 2022	December 31, 2021
Compressor station	$ 37,851	$ 6,831
Meter station	654	654
Pipelines	271,754	47,878
Total	310,259	55,363
Accumulated depreciation	(9,965)	(7,417)
Midstream assets, net	$ 300,294	$ 47,946

Depreciation expense on midstream assets of $1.9 million and $0.4 million was recognized for the three months ended September 30, 2022 and 2021, respectively, and $2.5 million and $1.1 million for the nine months ended September 30, 2022 and 2021, respectively.

Other property and equipment consisted of the following as of the periods indicated:

(in thousands)	September 30, 2022	December 31, 2021
Buildings	$ 16,789	$ 12,675
Furniture, fixtures, equipment and vehicles	14,483	6,555
Computer software	4,844	4,715
Leasehold improvements	1,627	1,571
Land	3,090	3,090
Total	40,833	28,606
Accumulated depreciation	(9,218)	(6,482)
Other property and equipment, net	$ 31,615	$ 22,124

Depreciation expense for other property and equipment for the three months ended September 30, 2022 and 2021 was $1.3 million and $0.8 million, respectively, and $2.8 million and $2.2 million for the nine months ended September 30, 2022 and 2021, respectively.

Note 4 — Fair Value Measurements

Derivative assets and liabilities measured at fair value as of September 30, 2022 and December 31, 2021 use Level 2 valuation techniques; contingent consideration, minority ownership puttable shares, equity-based compensation, and assets acquired and liabilities assumed in the Exxon Barnett Acquisition are measured at fair value as of these reporting dates using Level 3 valuation techniques. There have been no transfers between fair value levels during the reporting periods. In addition, derivatives are also subject to the risk that either party to a contract will be unable to meet its obligations. The Company factors non-performance risk into the valuation of derivatives using current published credit default swap rates. As of September 30, 2022, the impact of the non-performance risk adjustment to the Company's fair value of commodity derivative liabilities was $6.8 million.

The following tables set forth by level within the fair value hierarchy, the financial assets and liabilities that were accounted for at fair value on a recurring basis:

	As of September 30, 2022			
	Fair Value Measurements Using:			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Derivative instruments	$ —	$ 1,466	$ —	$ 1,466
Financial liabilities				
Derivative instruments	$ —	$ 265,032	$ —	$265,032
Contingent consideration	$ —	$ —	$ 190,773	$190,773
Mezzanine equity				
Minority ownership puttable shares	$ —	$ —	$ 68,102	$ 68,102
Equity-based compensation	$ —	$ —	$ 91,128	$ 91,128

	As of December 31, 2021			
	Fair Value Measurements Using:			
(in thousands)	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Derivative instruments	$ —	$ 9,986	$ —	$ 9,986
Financial liabilities				
Derivative instruments	$ —	$ 114,818	$ —	$114,818
Contingent consideration	$ —	$ —	$ 142,533	$142,533
Mezzanine equity				
Minority ownership puttable shares	$ —	$ —	$ 49,841	$ 49,841
Equity-based compensation	$ —	$ —	$ 34,006	$ 34,006

The contingent consideration was generated from the Devon Barnett Acquisition (referred to as the Barnett Asset Acquisition in the Company's Annual Financial Statements and the "Devon Barnett Acquisition" herein) and Exxon Barnett Acquisition further described in the Annual Financial Statements and *Note 2 — Acquisition,* respectively.The fair value of the contingent consideration as of September 30, 2022 and December 31, 2021 represents management's best estimate if a third party were paid to assume the contingency. The fair values were determined using forecasted monthly Henry Hub Prices, West Texas Intermediate prices, as applicable, and the application of Monte Carlo simulations. The Exxon Barnett Acquisition and Devon Barnett Acquisition contingencies are described further in *Note 14 — Commitments and Contingencies* to the unaudited condensed consolidated financial statements.

The minority ownership puttable shares were recorded at fair value upon initial recognition in mezzanine equity on the condensed consolidated balance sheets. The fair market value of the Company's common stock was used to determine the carrying value of the minority ownership puttable shares in mezzanine equity on the condensed consolidated balance sheets as of September 30, 2022 and December 31, 2021. The Company's common stock was valued using both observable (Level 2) and unobservable (Level 3) inputs. The minority ownership puttable shares are further described in the Company's Annual Financial Statements.

When classified as mezzanine equity, equity-based compensation is recorded at fair value on the grant date, considering modification of the awards. When liability classified, equity-based compensation is recorded at fair value as of the end of the period. The underlying market condition was valued using the application of Monte Carlo simulations using both observable (Level 2) and unobservable (Level 3) inputs. The remaining

components of the awards were valued based on the fair market value of the common stock of the Company, which is valued consistent with valuation methodologies described for the minority ownership puttable shares. The fair market values of the Company's market condition and common stock as of September 30, 2022 were used to determine the fair market value of equity-based compensation in mezzanine equity on the condensed consolidated balance sheet as of September 30, 2022. Equity-based compensation is further described in *Note 11 — Equity-based Compensation* to the condensed consolidated financial statements.

Quantitative data regarding the Company's Level 3 unobservable inputs are as follows:

(in thousands, except per share amounts)	Fair Value	Valuation Technique	Unobservable Input	Range or Actual
Common stock per share value – as of September 30, 2021[1]	$ 11.06	Enterprise value	Discount rate	10%
Market condition equity-based compensation per share value – as of September 30, 2021	$ 11.01	Monte Carlo Simulation	Performance period dividends	50.0% of projected annual net income
Contingent consideration – as of December 31, 2021	$142,533	Monte Carlo Simulation	Risk Free Rate	1.0%
			Credit Spread	4.0%
			Discount Rate	5.0%
Market condition equity-based compensation per share value – as of December 31, 2021	$ 13.77	Monte Carlo Simulation	Performance period dividends	3.0% equity capital, annually
Common stock per share value – as of December 31, 2021[1]	$ 11.75	Enterprise value	Performance period dividends	7.7-9.5%
Market condition equity-based compensation per share value – as of March 31, 2022	$ 24.25	Monte Carlo Simulation	Performance period dividends	3.0% equity capital, annually
Common stock per share value – as of March 31, 2022[1]	$ 15.28	Enterprise value	Discount rate	8.0-12.0%
Market condition equity-based compensation per share value – as of June 30, 2022	$ 20.04	Monte Carlo Simulation	Performance period dividends	3.0% equity capital, annually
Common stock per share value – as of June 30, 2022[1]	$ 16.79	Enterprise value	Discount rate	8.0-12.0%
Market condition equity-based compensation per share value – as of September 30, 2022	$ 18.78	Monte Carlo Simulation	Performance period dividends	3.0% equity capital, annually
Common stock per share value – as of September 30, 2022[1]	$ 16.04	Enterprise value	Discount rate	8.0-12.0%
Contingent consideration – as of September 30, 2022	$190,773	Monte Carlo Simulation	Risk Free Rate	4.0%
			Credit Spread	4.5%
			Discount Rate	8.5%

(1) The Company uses the midpoint of valuation results when estimating the fair value of common stock.

The table below sets forth the changes in the Company's Level 3 fair value measurements:

(in thousands)	September 30, 2022	December 31, 2021
Balance beginning of period	$ 226,380	$ 54,853
Contingent consideration-additions from business combination	17,150	—
Contingent consideration – settlement	—	(65,000)
Minority ownership puttable share activity	78	511
Grant date fair value of equity-based compensation	28,139	28,990
Change in fair market value *(all instruments)*	78,255	207,026
Balance end of period	$ 350,002	$ 226,380

Note 5 — Derivative Instruments

From time to time, the Company may utilize derivative contracts in connection with its natural gas and NGL operations to provide an economic hedge of the Company's exposure to commodity price risk associated with anticipated future natural gas and NGL production. The Company does not hold or issue derivative financial instruments for trading purposes. The derivative contracts outstanding as of September 30, 2022 and December 31, 2021 consisted of commodity swaps, basis swaps, enhanced three-way collar, and collar agreements, subject to master netting agreements with each individual counterparty. The following table presents gross commodity derivative balances prior to applying netting adjustments and net balances recorded in the condensed consolidated balance sheets:

	As of September 30, 2022		
(in thousands)	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	$ 5,429	(3,963)	$ 1,466
Noncurrent derivative assets	$ 112	(112)	$ —
Current derivative liabilities	$ 218,622	(3,963)	$ 214,658
Noncurrent derivative liabilities	$ 50,486	(112)	$ 50,374

	As of December 31, 2021		
(in thousands)	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	$ 9,986	—	$ 9,986
Noncurrent derivative assets	$ —	—	$ —
Current derivative liabilities	$ 91,156	—	$ 91,156
Noncurrent derivative liabilities	$ 23,662	—	$ 23,662

Enhanced Three-way Collar, Collar, Commodity Swap and Basis Swap Contracts

Generally, enhanced three-way collar arrangements provide for a price floor, a price ceiling and either a price sub-floor or price sub-ceiling. The floating price for the enhanced three-way collar contracts is traded for a fixed price when the floating price is not between the floor and ceiling, and for twice the contracted volumes within the contracted volumes, the sub-floor/ceiling. If the floating price is between these contracted prices, no trade occurs. A commodity collar provides for a price floor and a price ceiling. The floating price for the collar contract is traded for a fixed price when the floating price is not between the floor and ceiling. If the floating price is between these contracted prices, no trade occurs. A commodity swap agreement is an agreement whereby a floating price based on the underlying commodity is traded for a fixed price over a specified period. Basis swaps provide a guaranteed price differential for natural gas from specified delivery points over a specified period.

The fair value of open enhanced three-way collar, collar, commodity swap, and basis swap contracts reported in the condensed consolidated balance sheets may differ from that which would be realized in the event the Company terminated its position in the respective contract. Risks may arise as a result of the failure of the counterparty to the contract to comply with the terms of the contract. The loss incurred by the failure of the counterparties is generally limited to the aggregate fair value of the outstanding contracts in an unrealized gain position as well as any collateral posted with the counterparty. The Company considers the creditworthiness of each counterparty to an enhanced three-way collar, option, commodity swap or basis swap contract in evaluating potential credit risk. Additional risks may arise from unanticipated movements in the fair value of the underlying investments.

Derivative Contracts

The Company records its derivative financial instruments related to natural gas and NGL production at fair value using a market approach and has not designated any derivatives as hedges. Derivative financial instruments are marked-to-market and presented on the condensed consolidated balance sheets as commodity derivative assets or commodity derivative liabilities with the amount of unsettled gain or loss reflected in derivative losses, net in the condensed consolidated statements of operations and comprehensive income (loss). Derivative financial instruments that settle are recorded as derivative losses, net in the condensed consolidated statements of operations and comprehensive income (loss). The following tables set forth the effect of derivative instruments on the condensed consolidated statements of operations and comprehensive income (loss):

	Three Months Ended September 30,	
(in thousands)	**2022**	**2021**
Total loss on settled derivative instruments	$(310,930)	$(101,512)
Total gain (loss) on unsettled derivative instruments	41,401	(220,817)
Total loss on derivative instruments	$(269,529)	$(322,329)

	Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**
Total loss on settled derivative instruments	$(561,578)	$(123,570)
Total loss on unsettled derivative instruments	(158,734)	(377,034)
Total loss on derivative instruments	$(720,312)	$(500,604)

Settled derivative instrument loss for the nine months ended September 30, 2022 includes losses of $101.2 million related to monetization of certain natural gas derivative instruments prior to their contractual settlement dates. There were no monetizations of derivatives during the nine months ended September 30, 2021. As of September 30, 2022 and December 31, 2021, $159.9 million and $66.8 million of settled derivative instruments were included in accounts payable and accrued liabilities, respectively, on the Company's condensed consolidated balance sheets. Of these amounts, $70.2 million and $23.2 million related to monetizations, respectively. The monetizations payable as of September 30, 2022 relate to an amendment to an ISDA agreement, see *Note 13 — Credit and Other Risk.*

Volume of Derivative Activities

Outstanding derivative contracts are measured at fair value using Level 2 valuation techniques and are included in the accompanying condensed consolidated balance sheets as derivative assets and derivative liabilities.

As of September 30, 2022, the Company's derivative activities based on volume and contract prices, categorized by primary underlying risk and related commodity, by year, were as follows:

The following table represents natural gas commodity derivatives indexed to NYMEX Henry Hub pricing:

Instrument	MMBTU	Weighted Average Price (USD)	Weighted Average Price Sub Floor	Weighted Average Price Floor	Weighted Average Price Ceiling	Weighted Average Price Sub Ceiling	Fair Value as of September 30, 2022 (in thousands)
2022							
Swap	11,209,000	$ 4.41					$ (27,462)
Enhanced three-way collars	8,235,000		$ 2.51	$ 2.54	$ 2.91	$ 3.18	$ (64,581)
Collars	305,000			$ 2.75	$ 3.30		$ (1,077)
2023							
Swap	52,674,600	$ 3.90					$ (67,647)
Enhanced three-way collars	9,125,000			$ 2.45	$ 3.15	$ 3.15	$ (41,317)
Collars	41,250,000			$ 2.85	$ 3.75		$ (55,843)

The following table represents natural gas basis derivatives:

Instrument	Basis Reference Price	MMBTU	Weighted Average Basis Differential	Fair Value at September 30, 2022 (in thousands)
2022				
Swap	Transco 85	9,200,000	$ 0.46	$ 1,862
2023				
Swap	Transco 85	9,000,000	$ 0.46	$ (1,798)
Swap	TETCO M3	590,000	$ 10.68	$ 1,466

The following table represents natural gas liquids commodity derivatives for contracts expiring throughout the years ended December 31, 2022 and 2023 based on the applicable index listed below:

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value at September 30, 2022 (in thousands)
2022				
Swap	OPIS Purity Ethane Mont Belvieu	34,385,400	$ 0.34	$ (1,925)
Swap	OPIS IsoButane Mont Belvieu Non-TET	966,000	$ 0.99	$ (96)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	1,932,000	$ 0.98	$ (11)
Swap	OPIS Pentane Mont Belvieu Non-TET	1,932,000	$ 1.46	$ (183)
Swap	OPIS Propane Mont Belvieu Non-TET	5,796,000	$ 0.86	$ (93)
2023				
Swap	OPIS Purity Ethane Mont Belvieu	38,325,000	$ 0.23	$ (4,289)
Swap	OPIS IsoButane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (571)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	3,832,500	$ 0.80	$ (384)
Swap	OPIS Pentane Mont Belvieu Non-TET	7,665,000	$ 1.28	$ (1,522)
Swap	OPIS Propane Mont Belvieu Non-TET	22,995,000	$ 0.72	$ (2,004)

Instrument	Commodity Reference Price	Gallons	Weighted Average Price Floor	Weighted Average Price Ceiling	Fair Value as of September 30, 2022 (in thousands)
2022					
Collars	OPIS IsoButane Mont Belvieu Non-TET	2,318,400	$ 1.25	$ 1.42	$ 316
Collars	OPIS Normal Butane Mont Belvieu Non-TET	1,545,600	$ 1.25	$ 1.42	$ 211
Collars	OPIS Pentane Mont Belvieu Non-TET	5,922,000	$ 1.80	$ 2.19	$ 839
Collars	OPIS Propane Mont Belvieu Non-TET	15,968,400	$ 1.14	$ 1.31	$ 2,150
2023					
Collars	OPIS IsoButane Mont Belvieu Non-TET	9,198,000	$ 0.95	$ 1.09	$ 393

Note 6 — Asset Retirement Obligations

The Company has recognized an estimated liability for its asset retirement obligations related to the future costs of plugging, abandonment, and remediation of natural gas producing properties. The present value of the estimated asset retirement obligations has been capitalized as part of the carrying amount of the related natural gas properties. The liability has been accreted to its present value during the nine months ended September 30, 2022 and the year ended December 31, 2021.

The following table summarizes the activities of the Company's asset retirement obligations for the periods indicated:

(in thousands)	September 30, 2022	December 31, 2021
Asset retirement obligations, beginning of period	$ 158,968	$ 148,826
Additions through business combination	44,765	—
Liabilities incurred	298	923
Liabilities settled	(115)	(811)
Accretion of discount	8,874	10,030
Asset retirement obligations, end of period	212,790	158,968
Less current portion	(618)	—
Asset retirement obligations, long-term	$ 212,172	$ 158,968

Note 7 — Related Parties

On October 14, 2021, the Company entered into a Loan Agreement with its majority shareholder BNAC (the "Lender") and borrowed $116.0 million thereunder. Interest on the outstanding principal was SOFR + 5.25% and was payable on a semi-annual basis. On September 16, 2022, the Company repaid the $116.0 million principal, plus related interest, and terminated this Loan Agreement. The applicable interest rate as of September 16, 2022 was 7.96%. During the three and nine months ended September 30, 2022, the Company recognized interest expense of $2.0 million and $5.5 million, respectively.

On November 8, 2021, the Company entered into a Loan Agreement with the Lender and borrowed $50.0 million thereunder. On January, 11, 2022 and June 1, 2022, the Company repaid $15.0 million and $35.0 million, respectively. This loan agreement was terminated on June 1, 2022. The Company recorded no interest expense related to this Loan Agreement during the three months ended September 30, 2022. During the nine months ended September 30, 2022, the Company recorded interest expense of $0.9 million.

On March 10, 2022, the Company entered into a Loan Agreement (the "$75 Million Loan Agreement") with the Lender and borrowed $75.0 million thereunder. Interest on the outstanding principal is SOFR + 5.25% and is payable on a semi-annual basis. The principal balance of $75.0 million is due on December 31, 2027, including any unpaid interest. On June 15, 2022, the Company entered into a subordination agreement with the Lender whereby the $75.0 million is subordinate to the term loans under

the Company's credit agreement (as amended by that certain First Amendment to Term Loan Credit Agreement, "Term Loan Credit Agreement") further discussed in *Note 8 — Debt*. Financial covenants are consistent with those of the Term Loan Credit Agreement as discussed in *Note 8 — Debt*. Interest payable under the $75 Million Loan Agreement as of September 30, 2022 was $2.8 million. During the three and nine months ended September 30, 2022, the Company recorded interest expense of $1.5 million and $2.8 million, respectively.

As of September 30, 2022 and December 31, 2021, the Company had payables of $40.7 million and $30.7 million, respectively, to BNAC for current tax expense included in the other current liabilities line item on the condensed consolidated balance sheets. The amounts due to BNAC as of September 30, 2022 and December 31, 2021, related to reimbursements for income tax related items. Separately, the Company had a $0.2 million and a $0.5 million receivable from BNAC as of September 30, 2022 and December 31, 2021, respectively, related to shared general and administrative expenses.

As of September 30, 2022 and December 31, 2021, the Company had accounts receivable from BKV-BPP Power, LLC of $0.2 million and $1.8 million, respectively, related to reimbursement for certain expenses paid on behalf of BKV-BPP Power, LLC and amounts receivable under the Administration Services Agreement between the Company and BKV-BPP Power, LLC. See the Company's Annual Financial Statements for further discussion of the Company's equity method investments. During the three and nine months ended September 30, 2022, the Company recognized $0.7 million and $2.0 million, respectively, of revenues related to the services provided under the Administration Services Agreement which is included in other revenues on the condensed consolidated statements of operations and comprehensive income (loss).

The Company's ultimate parent Banpu Public Company Limited is also the ultimate parent of Banpu Power Corporation ("BPP US"), the Company's partner in a joint venture which is discussed further in the Company's Annual Financial Statements. See *Note 12 — Equity Method Investment* for further discussion of this joint venture. As of December 31, 2021, the Company had accounts receivable from BPP US of $1.3 million related to reimbursement for expenses incurred during the formation of the joint venture. As of September 30, 2022, the Company had no accounts receivable from BPP US.

Note 8 — Debt

On December 22, 2021, the Company entered into an agreement with Oversea-Chinese Banking Corporation Limited (the "Bank"), which agreement provides for a revolving credit facility (the "Facility") with a limit of $55.0 million. The Facility is not secured. Advances on the Facility are required to be repaid upon the earlier of 60 days after the date of the advance, or upon the receipt of a written demand notice from the Bank. Advances from the Facility must be greater than $1.0 million. Interest on any outstanding advances is payable monthly at a rate of SOFR +2.0%. On September 30, 2022, the outstanding balance of the Facility was $45.0 million which is payable on February 15, 2023, due to an extension on the related advance that the Company received on September 14, 2022.

On March 16, 2022, the Company entered into an agreement with Standard Chartered Bank, which agreement provides for revolving term loans and letters of credit ("Facility II") with a limit of $25.0 million. Of the $25.0 million, $15.0 million is available for cash draw downs, and in the absence of outstanding cash draw downs, the full $25.0 million is available for letters of credit. Facility II is an unsecured facility committed through August 31, 2024. Interest is agreed upon at the time of each cash draw down. Cash draw downs, plus all applicable interest are payable at one, three, six or twelve months from the date of the advance. Facility II had one outstanding letter of credit for $13.9 million as of the date the condensed consolidated financial statements were available for issuance. As of September 30, 2022, the Company had one $10.0 million cash draw down outstanding under Facility II. The $10.0 million cash draw down is due December 19, 2022 and bears interest at a rate of 5.44%.

On June 16, 2022, the Company entered into a Credit Agreement with a syndicate of lenders (the "Lenders") and Bangkok Bank Public Company Limited (New York Branch), as the administrative agent, whereby the Company can borrow up to $600.0 million in the aggregate, in the form of multiple term loans during the period commencing with the effective date and ending six months thereafter. The term loans under the Credit Agreement must be equal to or greater than $5.0 million; amounts repaid by the Company

in respect to the term loans may not be re-borrowed under the Credit Agreement. Once drawn, the term loans are required to be repaid annually in five equal installments; installment payments are due on each anniversary of the original draw for the respective term loan . The term loans are not secured. On June 30, 2022, the Company drew a term loan of $570.0 million to fund the Exxon Barnett Acquisition. Interest is adjusted term SOFR + 4.75%. The proceeds of the term loans must be used to finance the Exxon Barnett Acquisition. See *Note 2 — Acquisition.*

On August 24, 2022, the Company entered into an agreement with Bangkok Bank Public Company Limited (New York Branch), which agreement provides for a revolving credit facility ("Facility III") with a limit of $100.0 million. Facility III is an unsecured facility committed through September 30, 2027. Cash draw downs and all applicable interest is payable at one, three, or six months from the date of the advance ("one month draw", "three month draw" and "six month draw", respectively). The interest period is determined by the Company at the time of the advance. The interest rate on any outstanding advances is adjusted term SOFR + 4.75%. As of September 30, 2022, the Company had $75.0 million outstanding under Facility III which consisted of a six month draw for $45.0 million and one month draw of $30.0 million. The Company incurred debt issuance costs of $1.1 million, which are recorded in other current and noncurrent assets in the condensed consolidated balance sheets. On October 14, 2022, the Company repaid the one month draw of $30.0 million.

The Term Loan Credit Agreement and Facility III require the Company to maintain certain financial covenants, including requiring the asset coverage ratio to be no less than 2.00 to 1.00, the total net leverage ratio to be no greater than 2.50 to 1.00, and the consolidated fixed charge coverage ratio to be no less than 1.30 to 1.00. Additionally, Facility III requires the Company to have an accounts receivable balance from its largest purchaser that exceeds the outstanding balance on Facility III. As of September 30, 2022, the Company was in compliance with all covenants of the Term Loan Credit Agreement and Facility III.

The following table summarizes the debt balances:

(in thousands)	September 30, 2022
Credit facilities	
Facility I	$ 45,000
Facility II	10,000
Facility III	75,000
Term loan	
Current portion of Term Loan Credit Agreement	114,000
Current portion of unamortized debt issuance costs	(2,050)
Total current debt, net	241,950
Long-term portion of Term Loan Credit Agreement	456,000
Long-term portion of unamortized debt issuance costs	(4,246)
Total long-term debt, net	451,754
Total debt, net	$ 693,704

Note 9 — Revenue from Contracts with Customers

The Company records sales revenue based on an estimate of the volumes delivered at estimated prices as determined by the applicable sales agreement, which is variable based on commodity pricing. The Company estimates its sales volumes based on company-measured volume readings. Natural gas, NGL and oil sales are adjusted in subsequent periods based on data received from the Company's purchasers that reflects actual volumes and prices received which is typically within two months of transfer of control to the purchaser. Historically, the difference between estimated and actual sales revenues have not been material. For the three and nine months ended September 30, 2022 and 2021, the impact of any natural gas imbalances was not significant.

In conjunction with its sales of natural gas, the Company records marketing revenues based on estimated underlying variable consideration pricing and delivered volumes. Marketing revenues are adjusted

in subsequent periods based on data received from the Company's purchaser or trading partner. Historically, the difference between estimated and actual marketing revenues has not been material.

The Company also generates revenues from its non-operated and operated midstream assets. Midstream revenues are recognized when services are rendered based on quantities transported and measured according to the underlying contract. The Company records midstream revenue based on volumes at stated contractual rates. The Company estimates its volumes based on third-party data with respect to its proportionate share of non-operated volumes, and actual volumes for operated. Non-operated midstream revenues are adjusted in subsequent periods based on data received from the operator that reflects actual volumes which is typically within three months.

All of the Company's revenues are generated in the states of Pennsylvania and Texas. Revenues consist of the following:

	Three Months Ended September 30, 2022		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 74,614	$406,693	$481,307
Natural gas liquids	—	84,306	84,306
Oil	—	2,424	2,424
Total production revenues	$ 74,614	$493,423	$568,037
Marketing revenues	—	1,869	1,869
Midstream revenues	1,345	1,392	2,737
Total	$ 75,959	$496,684	$572,643

	Three Months Ended September 30, 2021		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 33,282	$125,942	$159,224
Natural gas liquids	—	66,371	66,371
Oil	—	1,434	1,434
Total production revenues	$ 33,282	$193,747	$227,029
Marketing revenues	—	950	950
Midstream revenues	1,557	—	1,557
Total	$ 34,839	$194,697	$229,536

	Nine Months Ended September 30, 2022		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 186,244	$ 783,281	$ 969,525
Natural gas liquids	—	247,404	247,404
Oil	—	7,544	7,544
Total production revenues	$ 186,244	$1,038,229	$1,224,473
Marketing revenues	—	7,197	7,197
Midstream revenues	4,688	1,392	6,080
Total	$ 190,932	$1,046,818	$1,237,750

	Nine Months Ended September 30, 2021		
(in thousands)	Pennsylvania	Texas	Total
Natural gas	$ 74,608	$285,108	$359,716
Natural gas liquids	—	151,165	151,165
Oil	—	5,491	5,491
Total production revenues	$ 74,608	$441,764	$516,372
Marketing revenues	—	51,246	51,246
Midstream revenues	5,529	—	5,529
Total	$ 80,137	$493,010	$573,147

Contract Balances

Receivables from contracts with customers are recorded when the right to consideration becomes unconditional, generally when control of the product has been transferred to the customer. Under the Company's sales contracts, the Company invoices customers after its performance obligations have been satisfied, at which point payment is unconditional. As of September 30, 2022 and December 31, 2021, the Company's receivables from contracts with customers were $171.2 million and $100.4 million, respectively.

Note 10 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities included in current liabilities consist of the following:

(in thousands)	September 30, 2022	December 31, 2021
Accounts payable	$ 71,846	$ 32,237
Commodity derivative settlements payable	89,719	43,252
Commodity derivative monetizations payable	70,200	23,175
Revenues payable	22,899	29,871
Other accrued liabilities	63,854	38,301
Total	$ 318,518	$ 166,836

Note 11 — Equity-based Compensation

On January 1, 2021 the BKV Corporation 2021 Long Term Incentive Plan (the "Plan") was established by the adoption of the Plan by the Board of Directors, which allows for the grant of incentive awards to employees and non-employee directors of the Company in the form of restricted stock units ("RSU"). Each RSU represents the contingent right to receive one share of common stock of the Company. As of September 30, 2022, the maximum number of RSUs authorized to be awarded under the Plan was 14,941,176. However, of the total authorized RSUs under the plan, only 60% may be awarded on or before December 31, 2022 without the written approval of the Board of Directors of the Company. Thereafter, no more than 80% of the total RSUs may be awarded without the written approval of the Board of Directors of the Company. For accounting purposes, management evaluated grants of incentive awards from the Plan under ASC 718 — *Compensation-Stock Compensation* and determined a grant date, for all annual incentive awards, including those anticipated to be legally granted in the three years subsequent to the initial incentive award date, was established because all grant date criteria had been satisfied and compensation expense and forfeitures were accounted for accordingly. Under ASC 718 — *Compensation-Stock Compensation, a*s of September 30, 2022, 15,448,998, were considered to have been granted under the plan since the plan inception when taking into consideration performance RSUs at the maximum performance level and time-based restricted stock units anticipated to be legally granted in the three years following the initial incentive award date. Of the awards considered granted under ASC 718 — *Compensation-Stock Compensation* as of September 30, 2022, 1,423,941 RSUs are not considered legally granted.

RSUs are granted in the form of Performance-Based Restricted Stock Units ("PRSU") and Time-Based Restricted Stock Units ("TRSU"). The shares of common stock issued in settlement of the RSUs include a

put right (the "Plan Put Right") available to the incentive award grant recipients (the "Participants"). If a Participant's employment is terminated due to voluntary resignation, and certain other conditions are met, a Participant is able to elect the Company to purchase the shares issued in settlement of his or her RSUs at fair market value of the Company's common stock at the time the election is made by the Participant. The Plan Put Right is only available to Participants upon the occurrence of certain events as defined in the Plan. As discussed below in "Modification of Terms," this Plan Put Right was modified on November 5, 2021 to add a one hundred eighty-one-day holding period following vesting of the RSUs. In addition, the Company has a purchase right (the "Call Right") which allows for the purchase of shares of common stock issued in the settlement of the RSUs from terminated participants at fair market value on the date of the purchase, at the Company's discretion. As discussed below in "Modification of Terms," this Call Right was modified on November 5, 2021 to add a one hundred eighty-one-day holding period following vesting of the RSUs. These features, specifically the Plan Put Right, required the Company to treat the incentive awards as cash-settled or liability classified in the condensed consolidated balance sheets of the Company until the Plan was modified as described below. Under liability treatment, for the three and nine months ended September 30, 2021, the Company incurred $12.0 million and $22.8 million of equity-based compensation expense, respectively, which is included within the condensed consolidated statement of operations and comprehensive income (loss) as general and administrative expense. Under liability treatment, expense and the corresponding liability is determined based on the fair market value of the underlying common stock shares for TRSUs. For PRSUs, the non-market performance condition uses the fair market value of the underlying common stock shares coupled with the estimated level of achievement for each performance criteria. The market condition fair value is determined using a Monte Carlo Simulation which uses observable and unobservable inputs, see *Note 4 — Fair Value Measurements* for the Level 3 unobservable inputs used in both the fair value of the underlying common stock and the market condition. Observable inputs used in the market condition valuation as of September 30, 2021 are a risk-free rate of 0.34% and volatility of 40%.

Modification of terms

On November 5, 2021, the Board of Directors of the Company approved the First Amendment to the BKV Corporation 2021 Long Term Incentive Plan (the "Plan Amendment"). The Plan Amendment included a provision to require all Participants of the Plan to hold vested shares of common stock issued in settlement of RSUs for a minimum of one-hundred eighty-one days (the "Holding Period") prior to having the ability to exercise the Plan Put Right. The Amendment also applied the Holding Period to the Call Right. Upon modification, the RSUs under the plan are considered to be settled in equity, as the Holding Period is a reasonable period of time to experience the risk and rewards of an equity instrument. However, due to the existence of the Plan Put Right, the Company recognized the incentive awards within mezzanine equity on the condensed consolidated balance sheet as of the date of Plan Amendment. All Participants of the plan agreed to the terms of the Plan Amendment.

Performance-Based Restricted Stock Units

The PRSUs are subject to a three year vesting or performance period beginning January 1, 2021 and ending on the earlier of December 31, 2023 (the "Performance Period") or IPO of the Company. All PRSUs cliff vest based on and subject to the achievement of the performance criteria upon the earlier of an initial public offering of the Company, change in control, or December 31, 2023. The table below summarizes the PRSU activity for the nine months ended September 30, 2022:

(in thousands, except per share amounts)	Shares	Weighted Average Grant Date Fair Value
Unvested PRSUs at January 1, 2022	11,589	$ 10.90
Granted[(1)]	466	$ 14.67
Forfeited[(1)]	(204)	$ 10.98
Unvested PRSUs as of September 30, 2022	11,851	$ 11.09

(1) Granted and forfeited award amounts take into consideration performance shares at the maximum performance level

The PSRU's are eligible to be earned based on three performance conditions: (1) Annualized Total Shareholder Return ("TSR") of fully diluted common stock during the performance period, (2) Return on Capital Employed ("ROCE") based on the average annual performance over the Performance Period, and (3) IPO readiness which is based on the Company's capability to be listed on a public stock exchange at certain points during the performance period. Between 0% and 100% of the PRSUs at maximum performance level are eligible to be earned based on the Company achieving the following pre-established goals:

		Performance Conditions		
	Weight	Minimum Threshold (0%)	Target Threshold (50%)	Maximum Threshold (100%)
TSR	60%	5%	12.5%	20%
ROCE	20%	—%	7%	14%
IPO readiness (capability dates)	20%	12/31/2024	12/31/2023	12/31/2022

The TSR component of the awards is a market-based condition valued utilizing the Monte Carlo Simulation pricing model, which calculates multiple potential outcomes and establishes grant date fair value based on the most likely outcome. For the purposes of grant date fair value, the TSR component assumes a risk-free rate of 0.73% to 4.05% and volatility of 40% to 50%, see *Note 4 — Fair Value Measurements*, for the Level 3 unobservable input used in the determination of the grant date fair value of the TSR. The weighted average grant date fair value of the TSR component of PRSU awards granted during the nine months ended September 30, 2022 was $16.40.

ROCE and IPO readiness are considered to be non-market performance conditions. Thus, the likelihood of achievement must be reassessed at every reporting period, and compensation expense is adjusted accordingly. As of September 30, 2022, management estimates IPO readiness will be achieved at the maximum performance level or 100%, and ROCE performance to be greater than the target performance level at approximately 100%. Accordingly, adjustments were made to compensation expense during the nine months ended September 30, 2022 to reflect the estimated levels of achievement. In addition to the level of achievement, the adjustment takes into account the per share grant date fair value of the Company's common stock of as of the modification date, or grant date. The grant date fair value of the PSRUs presented in the activity for nine months ended September 30, 2022 takes into account the grant date fair value for ROCE and IPO readiness, due to the non-market performance conditions being probable of achievement as of the modification date which establishes a grant date fair value. The weighted average grant date fair value of the ROCE and IPO readiness components of PRSU awards granted during the nine months ended September 30, 2022 was $13.08.

As of September 30, 2022, there was $39.4 million of unrecognized compensation expense related to the PRSU awards which will be amortized over a weighted average period of 1.25 years.

For the three months ended September 30, 2022 and nine months ended September 30, 2022, stock-based compensation related to the PRSUs was $7.9 million, and $25.9 million, respectively, which are included in general and administrative expenses in the condensed consolidated statement of operations and compressive income (loss).

Time-Based Restricted Stock Units

Under the applicable provisions of the Plan, the TRSU incentive award was anticipated to be granted in the form of four annual awards. One quarter of the annual award requires no service for vesting and vests immediately upon the grant date. The remaining three quarters of the annual award vest in equal portions upon the subsequent three anniversary dates following the grant date. The remaining annual awards are anticipated to be granted on the first, second and third anniversaries of the initial TRSU award date, subject to continued employment with the Company and board approval. Vesting for these anticipated three annual awards is expected to follow the same vesting schedule as the first annual awards based on the legal grant date. Upon an initial public offering of the Company, all unvested and legally granted and outstanding

awards under the Plan will vest immediately. Awards accounted for as granted under ASC 718 *Compensation-Stock Compensation*, but not legally granted at such time, will not vest and will be treated accordingly. The following table summarizes the TRSU activity for the nine months ended September 30, 2022:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested TRSUs at January 1, 2022	2,328	$ 11.06
Granted[1]	100	$ 13.08
Vested	(317)	$ 11.11
Forfeited	(37)	$ 11.33
Unvested TRSUs as of September 30, 2022	2,074	$ 11.16

(1) Represents number of awards considered granted under ASC 718 C *ompensation-Stock Compensation*. Of these, 74,925 are not considered legally granted.

As of September 30, 2022 there was $20.2 million of unrecognized compensation expense related to the TRSU awards which will be amortized over a weighted average period of 4.34 years.

For the three and nine months ended September 30, 2022, stock-based compensation expense related to the TRSUs was $1.2 million and $3.5 million, respectively, which are included in general and administrative expenses in the condensed consolidated statement of operations and compressive income (loss).

Note 12 — Equity Method Investment

The Company is a 50% owner of BKV-BPP Power, LLC (the “Joint Venture”) which is accounted for as an equity method investment.

During the nine months ended September 30, 2022, the Company recognized, based on its 50% ownership interest in the Joint Venture, earnings of $14.5 million.

The table below sets forth the summarized financial information of the Joint Venture:

Income Statement (in thousands)	Nine Months Ended September 30, 2022
	(unaudited)
Revenues	$ 249,605
Variable operating expenses	154,474
Gross profit	95,131
Operating expenses	39,404
Income from operations	55,727
Net income	$ 28,972

Note 13 — Credit and Other Risk

Credit risk is defined as the risk of a counterparty to a contract failing to perform or pay the amounts due.

The Company is exposed to credit risks in its operating and financing activities. The Company’s maximum exposure to credit risk is partially related to financial assets recorded on the condensed consolidated balance sheets, including commodity derivative instruments that have a positive market value. Additionally, the Company maintains its primary bank accounts with a single large, global bank.

Each of the derivative contracts entered into by the Company with counterparties (each, a “Counterparty”) is subject to the terms of an ISDA master agreement (“Master Agreement”). On August 4, 2022, the Company entered into a third amendment to a Master Agreement with a certain Counterparty,

which amendment includes a cross default provision pursuant to which a default by the Company related to the covenants under the Company's Term Loan Credit Agreement, see *Note 8 — Debt*, would cause a default under the Master Agreement. Under the third amendment, the Company also agreed to terminate or novate, at its election, at least $100.0 million of its derivative contracts. As of September 9, 2022, the Company terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, the Company is required to make cash payments to the Counterparty in an aggregate amount of $100.2 million, of which $30.0 million was paid in September 2022, an additional $30.0 million was paid on October 31, 2022, and the remaining $40.2 million must be paid by November 30, 2022. The unpaid balance as of September 30, 2022 of $70.2 million is included in accounts payable and accrued liabilities on the condensed consolidated balance sheet of the Company. The fair market value of derivative contracts as of September 30, 2022, under the Master Agreement is $143.7 million, which consisted of $110.5 million and $33.2 million included in current commodity derivative liabilities and noncurrent commodity derivative liabilities on the Company's condensed consolidated balance sheet, respectively.

The Company is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Company.

The Company is subject to U.S. federal income tax as well as income in various state jurisdictions, and the Company's operating cash flow is sensitive to the amount of income taxes the Company must pay. In the jurisdictions in which the Company operates or previously operated, income taxes are assessed on earnings after consideration of all allowable deductions and credits. Changes in the types of earnings that are subject to income tax, the types of costs that are considered allowable deductions (such as intangible drilling costs) and the timing of such deductions, or the rates assessed on the Company's taxable earnings would all impact the Company's income taxes and resulting operating cash flow. In addition, new taxes are from time to time proposed and, if enacted, could adversely impact the Company.

Substantially all of the Company's accounts receivable result from the sale of natural gas and joint interest billings. The Company sells natural gas, NGLs and oil to fewer than five customers and bills working interest owners for costs related to development of the Company's natural gas properties. The Company does not believe that the loss of any of these customers would have a material adverse effect on the condensed consolidated financial statements because alternative customers are readily available.

Note 14 — Commitments and Contingencies

From time to time, the Company may be subject to various claims, title matters and legal proceedings arising in the ordinary course of business, including environmental contamination claims, personal injury and property damage claims, claims related to joint interest billings and other matters under natural gas operating agreements and other contractual disputes. The Company maintains general liability and other insurance to cover some of these potential liabilities. All known liabilities are fully accrued based on the Company's best estimate of the potential loss. While the outcome and impact on the Company cannot be predicted with certainty, the Company believes that its ultimate liability with respect to any such matters will not have a significant impact or material adverse effect on its financial positions, results of operations or cash flows. Results of operations and cash flows, however, could be significantly impacted in the reporting periods in which such matters are resolved.

The Company was involved in an arbitration against an operator related to the breach of various provisions of a certain agreement related to the construction and operation of a midstream gathering system. On February 18, 2022, the Company agreed to settle with the operator, and as a result, received payment of $35.0 million to settle all past disputes and agreed to a midstream gathering rate going forward. Of the $35.0 million, $18.1 million was considered collection of accounts receivable, and the remaining $16.9 million is considered a contingent gain and is included in the condensed consolidated statement of operations and comprehensive income (loss) for the nine months ended September 30, 2022, as gain on settlement of litigation.

The Company has volume commitments in the form of gathering, processing, and transportation agreements with various third parties that require delivery of 883,990,368 dekatherms of natural gas. The

majority of the agreements terminate by 2026, with one agreement extending through 2036. As of September 30, 2022, the aggregate undiscounted future payments required under these contracts total $242.1 million. The Company expects to fulfill the commitments from existing productive wells.

The Company has committed to spend $3.5 million on a field compression related capital project by December 31, 2022.

As a part of the consideration paid for the Devon Barnett Acquisition, additional cash consideration will be required to be paid if certain hurdle rates are reached related to future average closing Henry Hub natural gas and West Texas Intermediate crude oil prices during the period beginning January 2021 through December 31, 2024. During the nine months ended September 30, 2022, the Company settled the 2021 portion of the arrangement resulting in a payment of $65.0 million and was paid on January 18, 2022. For the remaining years ending December 31, 2022 through 2024, average Henry Hub natural gas hurdle rates are $3.00/MMBTU, $3.25/MMBTU and $3.50/MMBTU, respectively; average West Texas Intermediate crude oil hurdle rates for the years ending December 31, 2022 through 2024 are $55.00/BBL, $60.00/BBL, and $65.00/BBL, respectively. The maximum amount payable under the arrangement is $195.0 million, or $65.0 million per year, for the years ending December 31, 2022-2024. Payments are due in the month following the end of the respective measurement period for which the hurdle rates are set. As described in *Note 4 — Fair Value Measurements*, management uses NYMEX forward pricing estimates for both Henry Hub and West Texas Intermediate hurdle rates and Monte Carlo simulations to determine the fair value of the contingent consideration. As of September 30, 2022 and December 31, 2021, the Company's estimate of the fair value of the unsettled contingent consideration was $172.7 million and $142.5 million, respectively. The change in the fair value of the contingent consideration for the three months ended September 30, 2022 and 2021 was a decrease of $1.7 million and an increase of $78.0 million, respectively, and increases of $30.2 million and $193.4 million for the nine months ended September 30, 2022 and 2021, respectively. This change impacted the associated liability on the condensed consolidated balance sheets as of September 30, 2022, respectively, and recognition of loss or gain, in the gain (loss) on contingent consideration liabilities on the condensed consolidated statements of operations and comprehensive income (loss), respectively.

In conjunction with the Exxon Barnett Acquisition (see *Note 2 — Acquisition)* additional cash consideration will be required to be paid by the Company if thresholds are met for future Henry Hub for the years ended December 31, 2023, and 2024. Henry Hub payouts and thresholds are as follows for the year ended December 31, 2023 : $4.00/MMBTU $10.0 million, $4.50/MMBTU $17.5 million, and $5.00/MMBTU $25.0 million. Henry Hub payouts and thresholds are as follows for the year ended December 31, 2024: $3.75/MMBTU $10.0 million, $4.25/MMBTU $17.5 million, and $4.75/MMBTU $25.0 million. Payments of the additional cash consideration are due as of January 31, of the calendar year following the applicable threshold measurement periods.The fair value of the contingent consideration as of the acquisition date of June 30, 2022, and as of September 30, 2022 was $17.2 million and $18.1 million, respectively. The change in the fair value of the contingent consideration for the three and nine months ended September 30, 2022 was $0.9 million increasing the associated liability on the condensed consolidated balance sheet and recognition of loss in the gain (loss) on contingent consideration liabilities on the condensed consolidated statement of operations and comprehensive income (loss). Refer to *Note 4 — Fair Value Measurements* for the valuation methodology and associated inputs.

On August 22, 2022, the Company entered into a management services agreement with Verde CO2 CCS, LLC ("Verde CO2") to provide general administrative and management services for carbon capture projects to BKVerde. Pursuant to the management services agreement, the Company is required to make fixed quarterly payments to Verde CO2 of $2.0 million, which payments began in August 2022 and end in February 2024. During this time period Verde CO2 will facilitate the administration and development of carbon capture projects.

A summary of the Company's commitments, excluding contingent consideration, as of September 30, 2022, is provided in the following table:

(in thousands)	2022	2023	2024	2025	2026	Thereafter	Total
Term loan payments	$ —	$114,000	$114,000	$114,000	$114,000	$114,000	$ 570,000
Credit facilities	130,000	—	—	—	—	—	130,000
Interest payable	12,057	—	—	—	—	—	12,057
Notes payable to related party	—	—	—	—	—	75,000	75,000
Interest on related party notes	2,795	—	—	—	—	—	2,795
BKVerde management fees	2,000	8,000	1,333	—	—	—	11,333
Lease payments	2,952	1,517	1,029	972	848	1,664	8,982
Capital commitment	3,500	—	—	—	—	—	3,500
Volume commitments	16,531	58,002	42,112	22,323	20,538	82,544	242,050
Total	$169,835	$181,519	$158,474	$137,295	$135,386	$273,208	$1,055,717

Note 15 — Income Taxes

The effective tax rates for the three and nine months ended September 30, 2022 were 22.9% and (2.0%), respectively, and 23.0% and 23.0% for the three and nine months ended September 30, 2021. The effective tax rates differ from the U.S. statutory federal income tax rate of 21.0% primarily due to state taxes. Additionally, for the nine months ended September 30, 2022, the decrease in the tax rate was primarily due to the recording of a bargain purchase gain on the Exxon Barnett Acquisition, which was nontaxable.

Note 16 — Earnings Per Share

Basic net income or (loss) and comprehensive income or (loss) per common share is calculated by dividing net income or (loss) available to common stockholders of the Company by the basic weighted average number of common shares outstanding for the respective period. Diluted net income (loss) and comprehensive income (loss) per common share is calculated by dividing net income (loss) available to common stockholders of the Company by the diluted weighted average number of common shares outstanding for the respective period. Diluted weighted average number of common shares outstanding and the dilutive effect of potential common shares is calculated using the treasury method for RSUs or if converted method for preferred stock. The Company includes potential shares of common stock for PRSUs in the calculation of diluted weighted average shares outstanding based on the number of common shares that would be issuable if the end of the reporting period was also the end of the performance period. During periods in which the Company incurred a net loss, diluted weighted average common shares outstanding were equal to basic weighted average of common shares outstanding because the effects of all potential common shares was anti-dilutive.

The following is a reconciliation of the Company's basic weighted average number of common shares outstanding to the diluted weighted average number of common shares outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Basic weighted average common shares outstanding	117,326	116,978	117,316	117,027
Add: dilutive effect of TRSUs	806	—	654	—
Add: dilutive effect of PRSUs	9,212	—	6,627	—
Diluted weighted average of common shares outstanding	127,344	116,978	124,597	117,027
Weighted average number of outstanding securities excluded from the calculation of diluted loss and comprehensive loss per share				
TRSUs	—	83	—	395
PRSUs	—	2,519	—	1,389
Preferred stock	—	33,109	—	33,927

Note 17 — Subsequent Events

The Company has evaluated its subsequent events occurring after September 30, 2022 through November 18, 2022, which represents the date the condensed consolidated financial statements were available to be issued. All such subsequent events are discussed with their relevant section within these notes to the condensed consolidated financial statements. No further subsequent events have been identified.

Report of Independent Auditors

To the Management of XTO Energy Inc.

Opinion

We have audited the accompanying statements of revenues and direct operating expenses of the Barnett Assets of XTO Energy Inc. and Barnett Gathering, LLC (the "Company"), for the years ended December 31, 2021 and 2020, including the related notes (referred to as the "statements of revenues and direct operating expenses").

In our opinion, the accompanying statements of revenues and direct operating expenses present fairly, in all material respects, the revenues in excess of direct operating expenses of the Company for the years ended December 31, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Statements of Revenues and Direct Operating Expenses section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The accompanying statements of revenues and direct operating expenses were prepared in connection with XTO Energy Inc. and Barnett Gathering LLC's divesture of the Barnett Assets and, as described in Note 1, were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission. The statements of revenues and direct operating expenses are not intended to be a complete presentation of the financial position, results of operations or cash flows of the Barnett Assets of XTO Energy Inc. and Barnett Gathering LLC. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statements of Revenues and Direct Operating Expenses

Management is responsible for the preparation and fair presentation of the statements of revenues and direct operating expenses in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statements of revenue and direct operating expenses that are free from material misstatement, whether due to fraud or error.

In preparing the statements of revenues and direct operating expenses, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the statements of revenues and direct operating expenses are available to be issued.

Auditors' Responsibilities for the Audit of the Statements of Revenues and Direct Operating Expenses

Our objectives are to obtain reasonable assurance about whether the statements of revenues and direct operating expenses as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not

absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statements of revenues and direct operating expenses.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statements of revenues and direct operating expenses, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statements of revenues and direct operating expenses.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statements of revenue and direct operating expenses.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP

Dallas, Texas
September 12, 2022

BARNETT ASSETS

STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES

(in U.S. Dollars)	Year Ended December 31,		Six Months Ended June 30,	
	2021	2020	2022	2021
				(Unaudited)
REVENUES				
Oil and condensate, gas and NGL sales	307,980,127	183,587,740	219,232,387	117,279,977
Midstream operating revenues	6,243,524	6,400,076	3,620,836	2,788,135
Other revenues	267,540	395,570	247,704	127,602
Total Revenues	314,491,191	190,383,386	223,100,927	120,195,714
DIRECT OPERATING EXPENSES				
Lease operating expense	76,921,954	83,055,070	47,456,160	36,713,078
Overhead costs	20,826,466	20,523,594	10,720,051	10,442,276
Cost of goods sold	49,794,678	50,306,855	25,320,736	22,616,152
Production and property taxes	21,667,036	17,056,948	10,696,307	4,262,571
Total Direct Operating Expenses	169,210,134	170,942,467	94,193,254	74,034,077
REVENUES IN EXCESS OF DIRECT OPERATING EXPENSES	145,281,057	19,440,919	128,907,673	46,161,637

BARNETT ASSETS

NOTES TO THE STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES
Years Ended December 31, 2021 and 2020 and Six Months Ended June 30, 2022 and 2021
(unaudited)

Note 1 — Basis of Presentation

XTO Energy Inc. and Barnett Gathering, LLC (together, the "Company"), wholly-owned subsidiaries of ExxonMobil Corporation owned oil and gas properties located in the Barnett Shale/Fort Worth Basin (the "Properties"), consisting of approximately 160,000 net acres, 2700 gross wells, and certain midstream gathering infrastructure. On May 18, 2022, the Company entered into a purchase and sale agreement with BKV North Texas, LLC and BKV Midstream, LLC (together, "BKV" or the "Buyer"), under which BKV agreed to acquire the Properties from the Company in a cash transaction for aggregate consideration of $750.0 million, subject to customary closing purchase price adjustments and certain additional contingent payments. The transaction closed on June 30, 2022.

The Statements of Revenues and Direct Operating Expenses (the "Statements") have been derived from the historical financial records of the Company, which represent their interests in revenues and expenses associated with the Properties, and were not accounted for as a separate subsidiary or division during the periods presented. Accordingly, a complete set of financial statements required by Regulation S-X, including a balance sheet and cash flow statement, prepared under U.S. generally accepted accounting principles ("GAAP") is not available or practicable to prepare for the Properties.

The Statements are not intended to be a complete presentation of the results of operations of the Properties as they do not include depreciation, depletion and amortization, accretion of asset retirement obligations, general and administrative expenses, interest expense, and income taxes. These costs are excluded because they are either not comparable to future operations, or they were not separately allocated to the Properties in the Company's historical accounting records. In addition to these exclusions, the Statements may not be representative of future operations due to potential changes in the business of the Buyer.

The accompanying Statements for the six months ended June 30, 2022 and 2021 are unaudited. The unaudited interim Statements have been prepared on the same basis as the annual Statements. In the opinion of management, such unaudited interim statements reflect all adjustments necessary for fair statement of the revenues and direct operating expenses of the Properties.

Note 2 — Use of Estimates in Preparation of the Statements

The preparation of these Statements requires management to make estimates and assumptions that affect the reported amounts of revenues and direct operating expenses during the respective reporting periods. Actual results may differ from the estimates and assumptions used in the preparation of the Statements.

Note 3 — Revenue Recognition

The Company generally sells crude oil and natural gas under short-term agreements at prevailing market prices. In some cases (e.g., natural gas), products may be sold under long-term agreements, with periodic price adjustments to reflect market conditions. Revenue is recognized at the amount the Company expects to receive when the customer has taken control, which is typically when title transfers and the customer has assumed the risks and rewards of ownership. The prices of certain sales are based on price indices that are sometimes not available until the next period. In such cases, estimated realizations are accrued when the sale is recognized, and are finalized when the price is available. Such adjustments to revenue from performance obligations satisfied in previous periods are not significant. Payment for revenue transactions is typically due within 30 days. Future volume delivery obligations that are unsatisfied at the end of the period are expected to be fulfilled through ordinary production or purchases. These performance obligations are based on market prices at the time of the transaction and are fully constrained due to market price volatility.

Note 4 — Direct Operating Expenses

Direct operating expenses are recognized when incurred and consist of direct operating expenses of the Properties. The direct operating expenses include lease operating expenses and deductions. Lease operating

BARNETT ASSETS

NOTES TO THE STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES
Years Ended December 31, 2021 and 2020 and Six Months Ended June 30, 2022 and 2021
(unaudited) (continued)

expenses include lifting costs, well repair expenses, facility maintenance expenses, well workover costs, and other field-related expenses. Lease operating expenses also include overhead and expenses directly associated with support personnel, support services, equipment, and facilities directly related to oil and gas production activities. Other deductions include cost of goods sold such as gathering and transportation expenses, and purchases of third party gas. Deductions also include the associated production taxes and property taxes associated with the Properties.

Note 5 — Subsequent Events

The Company has evaluated subsequent events through September 12, 2022, the date the Statements of Revenues and Direct Operating Expenses were available to be issued, and has concluded that no events need to be reported.

BARNETT ASSETS

SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED)

Estimated Quantities of Proved Oil, Natural Gas, and NGL Reserve Quantities

Estimated quantities of proved natural gas, NGL and oil reserves at December 31, 2021, and December 31, 2020 and changes in the reserves during each period for the Properties, are shown below. For the years ended December 31, 2021 and 2020 all reserves are proved developed.

These estimates have been prepared in accordance with SEC regulations regarding oil and natural gas reserve reporting using the average price during the trailing 12-month period, determined as an unweighted average of the first-day-of-the-month price for each month.

Estimates of proved natural gas, NGL and oil reserves have been completed in accordance with professional engineering standards. The estimates of proved natural gas, NGL and oil reserves were prepared by the Buyer's petroleum engineers for the years ended December 31, 2021 and 2020. Those proved reserves estimates were calculated by adding back production (rolled back) and adjusting for pricing from a reserve report prepared by Ryder Scott Company L.P., an independent petroleum consulting firm engaged by the Buyer, as of June 30, 2022, as this method was deemed to provide the best estimates based on information available.

	Natural Gas (MMcf)	NGL (MBbls)	Oil (MBbls)	Total (MMcfe)
January 1, 2020	965,033	18,703	189	1,078,385
Revision of previous estimates [1]	(217,748)	(4,441)	(45)	(244,664)
Production	(85,388)	(1,435)	(19)	(94,112)
December 31, 2020	661,897	12,827	125	739,609
Revision of previous estimates [2]	359,153	6,807	77	400,457
Production	(74,076)	(1,283)	(18)	(81,882)
December 31, 2021	946,974	18,351	184	1,058,184

(1) The downward revisions of previous estimates of 244,664 MMcfe for the year ended December 31, 2020 were the result of lower product pricing.

(2) The upward revisions of previous estimates of 400,457 MMcfe for the year ended December 31, 2021 were the result of higher commodity prices and improved well performance.

BARNETT ASSETS

SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (continued)

Standardized Measure of Discounted Future Net Cash Flows

The Buyer prepared the following summary which sets forth the Buyer's future net cash flows relating to proved natural gas, NGL and oil reserves based on the standardized measure for the years ended December 31, 2021 and 2020. As discussed in Note 1 Basis of Preparation, the effects of federal income taxes are not included in the accompanying Statements, and similarly are not included in the standardized measure presented.

Future cash flows (in thousands)	As of December 31, 2021	2020
Future estimated revenues[1]	$ 2,724,244	$ 686,798
Future estimated production costs[2]	(1,190,931)	(508,748)
Future estimated development costs[2]	(121,966)	(122,467)
Future income tax expense[3]	(14,302)	(3,606)
Future net cash flows	1,397,045	51,977
10% annual discount for estimated timing of cash flows	(688,067)	(25,602)
Standardized measure of discounted future net cash flows related to proved reserves	$ 708,978	$ 26,375

(1) In accordance with SEC regulations regarding oil and natural gas reserve reporting, reserves were estimated using the average price during the trailing 12-month period, determined as an unweighted average of the first-day-of-the-month price for each month.

(2) Future production, development, site restoration and abandonment costs are derived based on current costs assuming continuation of existing economic conditions.

(3) As stated above, no provisions for future federal income taxes were included; however, provisions for future obligations under the Texas gross margin tax are included.

BARNETT ASSETS

SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (continued)

The following table summarizes the changes in the Standardized Measure of discount future net cash flows:

	For the Years Ended December 31,	
(in thousands)	**2021**	**2020**
Balance, beginning of period	$ 26,375	$ 341,528
Net change in sales and transfer prices and in production (lifting) costs related to future production	574,114	(179,269)
Changes in estimated future development costs	148	(782)
Sales and transfers of natural gas, NGLs and oil produced during the period	(188,565)	(62,952)
Net change due to revisions in quantity estimates	278,939	(104,659)
Net change in future income taxes	(4,558)	2,402
Accretion of discount	2,815	34,571
Changes in timing and other	19,710	(4,464)
Total discounted cash flow as end of period	$ 708,978	$ 26,375

The data presented should not be viewed as representing the expected cash flow from, or current value of, existing proved reserves since the computations involve significant estimates and judgments. The required projection of production and related expenditures over time requires further estimates with respect to pipeline availability, rates of demand and governmental control. Actual future prices and costs are likely to be substantially different from the prices and costs utilized in the computation of reported amounts above. Any analysis or evaluation of the reported amounts should give specific recognition to the computational methods utilized and the limitations inherent therein.


BKV™

PART II INFORMATION

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the various expenses, other than underwriting discounts and commissions, payable by us in connection with the offering of our common stock contemplated by this registration statement. All of the fees set forth below are estimates, except for the SEC registration fee, the Financial Industry Regulatory Authority, Inc. ("FINRA") filing fee and the NYSE listing fee.

SEC registration fee	$11,020
FINRA filing fee	15,500
NYSE listing fees	*
Transfer agent and registrar fees and expenses	*
Printing fees and expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Our certificate of incorporation will provide that directors and officers will not be liable to the Company or its stockholders for monetary damages to the fullest extent permitted by the DGCL. In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors and officers, then the liability of a director or officer of the Company, in addition to the limitation on personal liability provided for in our certificate of incorporation, will be limited to the fullest extent permitted by the amended DGCL. Our bylaws will provide that the Company will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our certificate of incorporation will also contain indemnification rights for our directors and our officers. Specifically, our certificate of incorporation will provide that we shall defend, indemnify and advance expenses to our officers and directors to the fullest extent authorized by the DGCL. Further, we may maintain insurance on behalf of our officers and directors against expense, liability or loss asserted incurred by them in their capacities as officers and directors.

In addition, we intend to enter into indemnification agreements, to be effective upon the completion of this offering, with our current directors and officers containing provisions that are in some respects broader than the specific indemnification provisions contained in the DGCL. The indemnification agreements will

require us, among other things, to indemnify our directors and officers against certain liabilities that may arise by reason of their status or service as directors or officers and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and officers.

We intend to maintain liability insurance policies that indemnify our directors and officers against various liabilities, including certain liabilities arising under the Securities Act or the Exchange Act that may be incurred by them in their capacity as such.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this registration statement provides for indemnification of our directors and officers by the underwriters against certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this registration statement, we have issued the following unregistered securities.

Corporatization Event

The information set forth in "*Business — Our History — The Corporatization Event*" of the prospectus is incorporated herein by reference. On May 1, 2020, as part of the Corporatization Event, the Company issued 92,700,000 shares of its common stock in exchange for a contribution by the partners of BKV O&G of all of the partnership interests in BKV O&G and 2,000,000 shares of its common stock in exchange for a contribution by the members of Kalnin Ventures of all of the membership interests in Kalnin Ventures. The foregoing issuances were made under an exemption from registration provided by Section 4(a)(2) of the Securities Act, and no underwriters were involved in these transactions.

Other Equity Issuances

On October 1, 2020, the Company issued 22,284,000 shares of its common stock to an existing investor, BNAC, for $222.8 million. The foregoing issuance was made under an exemption from registration provided by Section 4(a)(2) of the Securities Act, and no underwriters were involved in this transaction.

On December 15, 2020, the Company issued 100,000 shares of its common stock to a new investor, OCM BKV Holdings, LLC, an affiliate of Oaktree Capital Management L.P., for $1.0 million, net of associated costs. These shares were issued in connection with the issuance of 9,900,000 shares of Series A Redeemable Preferred Stock, par value $10.00 per share, of the Company (the "Series A preferred stock"), to the same investor in a private placement for $99.0 million. The foregoing issuances were made under an exemption from registration provided by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder, and no underwriters were involved in these transactions. The Company redeemed a portion of such shares of Series A preferred stock in May 2021 and the remainder in October 2021.

2021 Plan Issuances

From January 1, 2021 through December 31, 2021, performance restricted stock units (PRSUs) were legally granted under the 2021 Plan, which, assuming vesting at maximum payout, would result in the vesting of 12,256,502 shares of the Company's common stock, and 656,595 time restricted stock units (TRSUs) were legally granted, of which 164,112 TRSUs were vested at the time of grant and 155,098 TRSUs have since vested. From December 31, 2021 and through the date of this registration statement, additional PRSUs were legally granted, which, assuming vesting at maximum payout, would result in the vesting of 466,200 shares of the Company's common stock, and 645,760 TRSUs were legally granted, of which 161,398 TRSUs were vested as of the date of this registration statement. Such awards under the 2021 Plan were granted to employees and directors of the Company or its subsidiaries. The foregoing issuances were made under an

exemption from registration provided by either (i) Rule 701 under the Securities Act as transactions pursuant to compensatory benefit plans and contracts relating to compensation; or (ii) Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering. Any outstanding and unvested PRSUs and TRSUs will vest in connection with this offering.

2020 ESPP Issuances

In December 2021, the Company issued 287,209 shares of its common stock through sales under the 2020 ESPP and received proceeds of approximately $3.2 million from such sales. In April 2022, the Company issued 5,125 shares of its common stock through sales under the 2020 ESPP and received proceeds of $78,310 from such sales. Such sales under the 2020 ESPP were made to certain employees and directors of the Company. The foregoing issuances were made under an exemption from registration provided by either (i) Rule 701 under the Securities Act as transactions pursuant to compensatory benefit plans and contracts relating to compensation; or (ii) Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits: The list of exhibits set forth under "*Exhibit Index*" at the end of this registration statement is incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1*	Form of Underwriting Agreement
2.1+‡	Purchase and Sale Agreement, dated December 17, 2019, between Devon Energy Production Company, L.P. and BKV Barnett, LLC
2.2+	First Amendment to Purchase and Sale Agreement, dated April 13, 2020, among Devon Energy Production Company, L.P., BKV Barnett, LLC and, solely with respect to the sections listed therein, BKV Oil & Gas Capital Partners, L.P.
2.3+	Purchase and Sale Agreement, dated May 18, 2022, between XTO Energy Inc., Barnett Gathering, LLC, BKV North Texas, LLC and BKV Midstream, LLC
3.1	Amended and Restated Certificate of Incorporation of BKV Corporation, as currently in effect
3.2	Bylaws of BKV Corporation, as currently in effect
3.3	Form of Second Amended and Restated Certificate of Incorporation of BKV Corporation, to be in effect upon completion of this offering
3.4	Form of Amended and Restated Bylaws of BKV Corporation, to be in effect upon completion of this offering
4.1	Form of Common Stock Certificate
5.1*	Opinion of Baker Botts L.L.P. as to the legality of the securities being registered
10.1+	Credit Agreement, dated June 16, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.2	Amended and Restated Loan Agreement, dated June 15, 2022, between Banpu North America Corporation and BKV Corporation, in the amount of $116,000,000
10.3	Amended and Restated Loan Agreement, dated June 15, 2022, between Banpu North America Corporation and BKV Corporation, in the amount of $75,000,000
10.4+	Revolving Credit Agreement, dated August 24, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.5	Form of Stockholders' Agreement to be entered into between BKV Corporation and Banpu North America Corporation
10.6	Form of Amended and Restated Tax Sharing Agreement to be entered into between BKV Corporation and Banpu North America Corporation
10.7†‡	BKV Corporation 2021 Long Term Incentive Plan, adopted January 1, 2021 (the "2021 Plan")
10.8†	First Amendment to the 2021 Plan, dated November 5, 2021
10.9†‡	Form of Time Restricted Stock Unit Award and Performance-Based Restricted Stock Unit Award Notice and Award Agreement under the 2021 Plan
10.10†	Form of Time Restricted Stock Unit Award Notice and Award Agreement under the 2021 Plan
10.11†	BKV Corporation 2020 Employee Stock Purchase Plan, adopted July 16, 2020
10.12†	First Amendment to the BKV Corporation 2020 Employee Stock Purchase Plan, dated November 5, 2021
10.13†	Second Amendment to the BKV Corporation 2020 Employee Stock Purchase Plan, dated April 21, 2022
10.14†	BKV Corporation 2022 Equity and Incentive Compensation Plan (the "2022 Plan")
10.15*†	Form of Time Restricted Stock Unit Award and Performance-Based Restricted Stock Unit Award Notice and Award Agreement under the 2022 Plan (CEO)

Exhibit Number	Description
10.16*†	Form of Time Restricted Stock Unit Award and Performance-Based Restricted Stock Unit Award Notice and Award Agreement under the 2022 Plan (Non-CEO Employee)
10.17†	Form of Restricted Stock Unit Award Notice and Award Agreement under the 2022 Plan (Director)
10.18†	Form of Director and Officer Indemnity Agreement
10.19†	Employment Agreement, dated August 4, 2020, between BKV Corporation and Christopher P. Kalnin
10.20†	Employment Agreement, dated January 11, 2021, between BKV Corporation and John T. Jimenez
10.21†	Employment Agreement, dated February 18, 2020, between Kalnin Ventures LLC and Eric Jacobsen
10.22†	Employment Agreement, dated January 15, 2021, between BKV Corporation and Brid Kealey
10.23†	Employment Agreement, dated October 15, 2018, between Kalnin Ventures LLC and Lindsay B. Larrick
10.24†	Employment Agreement, dated April 1, 2018, between Kalnin Ventures LLC and An Sao (Ethan) Ngo
10.25+	Limited Liability Company Agreement of BKV-BPP Power, LLC, dated October 29, 2021
10.26†	BKV Corporation Non-Employee Director Compensation Program
10.27+	Credit Facility, dated December 22, 2021, among BKV Corporation, Oversea-Chinese Banking Corporation Limited and the guarantors party thereto
10.28+	Credit Facility, dated February 7, 2022, among BKV Corporation, Standard Chartered Bank, BKV Chaffee Corners, LLC, BKV Chelsea, LLC, BKV Operating, LLC and BKV Barnett, LLC
10.29	First Amendment, dated November 11, 2022, to Credit Agreement, dated June 16, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.30	First Amendment, dated November 11, 2022, to Revolving Credit Agreement, dated August 24, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
21.1	List of Subsidiaries of BKV Corporation
23.1	Consent of PricewaterhouseCoopers LLP (BKV Corporation)
23.2	Consent of PricewaterhouseCoopers LLP (ExxonMobil Barnett Assets)
23.3	Consent of Ryder Scott Company, L.P.
23.4*	Consent of Baker Botts L.L.P. (included as part of Exhibit 5.1 hereto)
24.1	Power of Attorney (included on the signature page of the initial filing of the registration statement)
99.1	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2020 (SEC Pricing) (BKV Barnett, LLC)
99.2	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2020 (SEC Pricing) (BKV Chaffee Corners, LLC)
99.3	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2020 (SEC Pricing) (BKV Chelsea, LLC)
99.4	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2020 (SEC Pricing) (BKV Operating, LLC)

Exhibit Number	Description
99.5	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (BKV Barnett, LLC)
99.6	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (BKV Chaffee Corners, LLC)
99.7	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (BKV Chelsea, LLC)
99.8	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (BKV Operating, LLC)
99.9	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (SEC Pricing) (BKV Barnett, LLC)
99.10	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (SEC Pricing) (BKV Chaffee Corners, LLC)
99.11	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (SEC Pricing) (BKV Chelsea, LLC)
99.12	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (SEC Pricing) (BKV Operating, LLC)
99.13	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (SEC Pricing) (Exxon Barnett Acquisition)
99.14	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (NYMEX Strip Pricing) (BKV Barnett, LLC)
99.15	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (NYMEX Strip Pricing) (BKV Chaffee Corners, LLC)
99.16	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (NYMEX Strip Pricing) (BKV Chelsea, LLC)
99.17	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (NYMEX Strip Pricing) (BKV Operating, LLC)
99.18	Ryder Scott Company, L.P., Summary of Reserves at September 30, 2022 (NYMEX Strip Pricing) (Exxon Barnett Acquisition)
107	Calculation of Filing Fee Table

* To be filed by amendment.

† Compensatory plan or arrangement.

+ Certain schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

‡ Certain portions of this exhibit have been redacted pursuant to Item 601(b)(2)(ii) or Item 601(b)(10)(iv), as applicable, of Regulation S-K. The registrant agrees to furnish supplementally an unredacted copy of this exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on this 18th day of November, 2022.

BKV CORPORATION

By: /s/ Christopher P. Kalnin
Christopher P. Kalnin
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Christopher P. Kalnin and Lindsay B. Larrick, and each of them, his or her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this registration statement, and any registration statement relating to the offering covered by this registration statement and filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorney-in-fact and agents or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933 this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ Christopher P. Kalnin Christopher P. Kalnin	Chief Executive Officer and Director (Principal Executive Officer)	November 18, 2022
/s/ John T. Jimenez John T. Jimenez	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	November 18, 2022
/s/ Chanin Vongkusolkit Chanin Vongkusolkit	Chairman of the Board	November 18, 2022
/s/ Somruedee Chaimongkol Somruedee Chaimongkol	Director	November 18, 2022
/s/ Joseph R. Davis Joseph R. Davis	Director	November 18, 2022
/s/ Akaraphong Dayananda Akaraphong Dayananda	Director	November 18, 2022

Name	Title	Date
/s/ Carla S. Mashinski Carla S. Mashinski	Director	November 18, 2022
/s/ Thiti Mekavichai Thiti Mekavichai	Director	November 18, 2022
/s/ Charles C. Miller III Charles C. Miller III	Director	November 18, 2022
/s/ Sunit S. Patel Sunit S. Patel	Director	November 18, 2022
/s/ Anon Sirisaengtaksin Anon Sirisaengtaksin	Director	November 18, 2022
/s/ Sinon Vongkusolkit Sinon Vongkusolkit	Director	November 18, 2022

Exhibit 2.1

Portions of this document have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential. Redacted portions are indicated with the notation "[***]".

Execution Version

PURCHASE AND SALE AGREEMENT
BY AND BETWEEN
DEVON ENERGY PRODUCTION COMPANY, L.P.
AS SELLER,
AND
BKV BARNETT, LLC
AS BUYER,
EXECUTED ON DECEMBER 17, 2019

TABLE OF CONTENTS

LIST OF APPENDICES, EXHIBITS AND SCHEDULES

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance herewith, this "***Agreement***") is entered into this 17th day of December, 2019 (the " ***Execution Date***"), between Devon Energy Production Company, L.P., an Oklahoma limited partnership ("***Seller***"), and BKV Barnett, LLC, a Delaware limited liability company (" ***Buyer***"). Buyer and Seller may be referred to collectively as the "***Parties***" or individually as a "***Party.***"

Recitals

Seller desires to sell and assign, and Buyer desires to purchase and pay for, all of the Conveyed Interests (as defined hereinafter) effective as of the Effective Time (as defined hereinafter).

NOW, THEREFORE, for and in consideration of the mutual agreements set forth in this Agreement, the benefits to be derived by each Party, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 ***Defined Terms***. Capitalized terms used in this Agreement shall have the meanings given such terms in *Appendix I*, unless the context otherwise requires.

1.2 ***References and Rules of Construction***. All references in this Agreement to Exhibits, Appendices, Schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, Appendices, Schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Exhibits, Appendices, Schedules, Articles, Sections, subsections and other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder," and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular Article, Section, subsection or other subdivision unless expressly so limited. The words "this Article," "this Section," and "this subsection," and words of similar import, refer only to the Article, Section or subsection hereof in which such words occur. The word "including" (in its various forms) means including without limitation. All references to "$" or "dollars" shall be deemed references to United States dollars. Each accounting term not defined in this Agreement, and each accounting term partly defined in this Agreement, to the extent not defined, will have the meaning given to it under GAAP. Pronouns in masculine, feminine or neuter genders shall be construed to state and include any other gender, and words, terms and titles (including terms defined in this Agreement) in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. References to any agreement (including this Agreement, any Unit Agreement, and any Applicable Contract) shall mean such agreement as it may be amended, restated, supplemented or otherwise modified from time to time. References to any date shall mean such date in Oklahoma City, Oklahoma and for purposes of calculating the period of time in which any notice or action is to be given or undertaken hereunder, such period shall be deemed to begin at 12:01 A.M. on the applicable date in Oklahoma City, Oklahoma.

ARTICLE II
PURCHASE AND SALE

2.1 ***Purchase and Sale***. Subject to the terms and conditions of this Agreement, Seller agrees to sell, and solely with respect to the interests, rights and properties described in *Sections 2.1(e)*, *2.1(f)*, *2.1(i)*, *2.1(k)*, *2.1(l)*, *2.1(n)*, *2.1(o)*, *2.1(p)*, *2.1(r)*, *2.1(s)*, *2.1(t)*, *2.1(u)*, *2.1(x)*, *2.1(y)*, *2.1(z)*, *2.1(aa)*, *2.1(bb)* and *2.1(cc)*, in whole or in part, to cause its applicable Affiliates to sell, and Buyer agrees to purchase and pay for, effective as of the Effective Time, all of Seller's and such Affiliates' right, title, interest and estate, whether legal, equitable, present, contingent or reversionary, in and to the assets, interests, rights, and properties described in this *Section 2.1* (without duplication) (such right, title and interest, less and except the Excluded Assets and Other Matters, collectively, the "***Conveyed Interests***"):

(a) all oil, gas and/or mineral leases located within, covering or otherwise attributable to any of the Lands, including (but not limited to) all of the oil and gas leases described on *Exhibit A*, whether producing or non-producing, developed or undeveloped, together with (i) all amendments, renewals, extensions or ratifications thereof and all top leases thereof or covering the lands covered thereby and (ii) any and all other right, title, interest and estate of Seller or any of its Affiliates in and to the leasehold estates created thereby (including, in each case, all overriding royalty interests, production payments, net profits interests, carried interests, reversionary interests, and all other similar interests, but excluding the Non-Cost Bearing Interests), as to all depths and formations owned by Seller or its Affiliates, but subject to the terms, conditions, covenants, and obligations set forth in those leases and/or matters described on *Exhibit A* as applicable (each, a "***Lease***" and, collectively, the "***Leases***");

(b) all oil and gas wells located on any of the Lands (other than the Excluded Wells), whether producing, non-producing, plugged and abandoned, temporarily abandoned, or otherwise, including the wells described on *Exhibit B* (collectively, the "***Wells***");

(c) (i) the fee simple mineral interests in and covering the Lands, including all fee simple mineral interests described on *Exhibit C-1* (collectively, the "***Fee Minerals***") and (ii) the overriding royalty interests, non-participating royalty interests and other similar non-cost bearing interests (other than Fee Minerals) described on *Exhibit C-2* (collectively, the "***Non-Cost Bearing Interests***"), but, in the case of each of (i) and (ii), subject to the terms, conditions, covenants, limitations, and obligations of the oil and gas leases and other public real estate records maintained by the county clerk of the county in which the applicable Lands covered by those interests are located, including those that are more particularly identified and described on *Exhibit C-3*;

(d) all rights and interests in, under or derived from all spacing, pooling, production sharing, production allocation, unitization and communitization agreements, declarations and orders in effect with respect to any of the Lands, the Leases, the Wells, the Fee Minerals or the Non-Cost Bearing Interests, and the units created or designated by any of those agreements, declarations or orders (such unit agreements, the "***Unit Agreements***," and such units, the "***Units***") (Seller's and its Affiliates' right, title, interest and estate in and to the Leases, the Wells, the Fee Minerals, the Non-Cost Bearing Interests and the Units being collectively referred to hereinafter as the "***Properties***" or individually as a "***Property***");

(e) (i) (A) all Hydrocarbons produced from or allocated to the Properties from and after the Effective Time, or any combination thereof, including Hydrocarbons extracted therefrom, whether such production comes from wells located on or off the Properties and (B) all Hydrocarbons produced from or allocated to the Properties that are in storage or existing in stock tanks, pipelines and/or plants as of the Effective Time (including inventory and line fill), less any volumes of Hydrocarbons sold during the Interim Period (with respect to *clause (B)*, together with the DGS Storage Volumes, as set forth on *Schedule 2.1(e)*, the "***Hydrocarbons in Storage***"), (ii) all minerals (whether in liquid or gaseous form) produced in association with the Hydrocarbons produced from or allocated to the Properties from and after the Effective Time, and (iii) all proceeds with respect to the foregoing;

(f) all right, title and interest in all Hydrocarbons in storage pursuant to the Storage Agreement (the "***DGS Storage Volumes***");

(g) all injection, disposal, observation, water, and other wells located on the Lands (other than the Wells and the Excluded Wells), whether, plugged and abandoned, temporarily abandoned, or otherwise, including the wells described on *Exhibit D* (collectively, the "***Other Wells***");

(h) the fee simple surface estate in and covering each tract of land described on *Exhibit E-1* and all improvements, fixtures, field offices, facilities and appurtenances located thereon, but subject to the terms, conditions, covenants, limitations, and obligations reflected in the real estate records maintained by the county clerk of the county in which the applicable tracts are located (collectively, the "***Surface Fee Interests***");

(i) all of DGS's interest in the fee simple surface estate in and covering each tract of land described on *Exhibit E-2* and all improvements, fixtures, field offices, facilities and appurtenances located thereon, but subject to the terms, conditions, covenants, limitations, and obligations reflected in the real estate records maintained by the county clerk of the county in which the applicable tracts are located (collectively, the "***DGS Surface Fee Interests***");

(j) all pipelines and gathering systems, including salt water disposal pipelines located at, on or under any of the Lands, including the pipelines, gathering systems and salt water disposal systems described on *Exhibit F-1* (collectively, the "***Pipeline Systems***");

(k) all of SWGP's interest in all pipelines and gathering systems, including salt water disposal pipelines located at, on or under any of the Lands, including the pipelines, gathering systems and salt water disposal systems described on *Exhibit F-2* (collectively, the "***SWGP Pipeline Systems***");

(l) all of DGS's interest in all pipelines and gathering systems, including salt water disposal pipelines located at, on or under any of the Lands (collectively, the "***DGS Pipeline Systems***" and, together with the Pipeline Systems, SWGP Pipeline Systems and Water Disposal JV Interests, collectively, the "***Midstream Facilities***");

(m) all surface and/or subsurface leases, rights-of-way and easements, rights of ingress and egress, surface servitudes, surface permits, surface licenses, and other surface usage rights covering or pertaining to the Lands, the Properties or appurtenant to or used in connection with (i) the ownership or development of the Properties, Leases and the Units, or the installation, drilling, completion, reworking, recompletion, ownership, development, operation, use or maintenance of the Wells, the Other Wells, the Pipeline Systems, and/or the Personal and Other Property, or (ii) the production, treatment, storage, gathering, processing, transportation or disposal of Hydrocarbons or other produced substances from or attributable to the Properties, the Wells, the Units, the Fee Minerals, the Leases or the Other Wells, including those surface and/or subsurface leases, rights-of-way and easements described on *Exhibit G-1* (collectively, the "***Rights-of-Way***");

(n) all of SWGP's interest in all surface and/or subsurface leases, rights-of-way and easements, rights of ingress and egress, surface servitudes, surface permits, surface licenses, and other surface usage rights covering or pertaining to the Lands or the Properties appurtenant to or used primarily in connection with (i) the ownership or development of the Leases and the Units or Properties, or the installation, drilling, completion, reworking, recompletion, ownership, development, operation, use or maintenance of the Wells, the Other Wells, the SWGP Pipeline Systems and/or the Personal and Other Property, or (ii) the production, treatment, storage, gathering, processing, transportation or disposal of Hydrocarbons or other produced substances from or attributable to the Wells, the Units, the Fee Minerals, the Leases or the Other Wells or any other Property, including those surface and/or subsurface leases, rights-of-way and easements described on *Exhibit G-2* (collectively, the "***SWGP Rights-of-Way***");

(o) all of DEC's interest in all surface and/or subsurface leases, rights-of-way and easements, rights of ingress and egress, surface servitudes, surface permits, surface licenses, and other surface usage rights covering or pertaining to the Lands or appurtenant to or used primarily in connection with (i) the ownership or development of the Leases and the Units, or the installation, drilling, completion, reworking, recompletion, ownership, development, operation, use or maintenance of the Wells, the Other Wells, the Pipeline Systems and/or the Personal and Other Property, or (ii) the production, treatment, storage, gathering, processing, transportation or disposal of Hydrocarbons or other produced substances from or attributable to the Wells, the Units, the Fee Minerals, the Leases or the Other Wells, including those surface and/or subsurface leases, rights-of-way and easements described on *Exhibit G-3* (collectively, the "***DEC Rights-of-Way***");

(p) all surface and subsurface tangible personal property, fixtures and improvements (including any plants, ponds or pits), operational and non-operational, active or inactive, known or unknown, that are located at, on or under any of the Lands and/or Properties (including any of the following assets that are owned by DEC that are located on the Lands) or located on the DGS Surface Fee Interests to the extent related to the Properties, including, but not limited to, (i)(A) subject to approval of the transfer of the FCC Licenses, the FCC Licenses and any antenna, radio frequency transmitters and associated electronic equipment covered by and/or operated that are subject to such FCC License or that require FCC approval to transfer, (B) excepting the assets and interests described in *clause (A)*, all communication towers, SCADA and measurement technology, in each case, as set forth on *Exhibit H-1* and (C) excepting the assets and interests described in *clause (A)*, all information technology equipment and devices, including desktop computers, networking equipment and any associated peripherals, well communication devices, and any other information technology hardware, (ii) all computers and other tangible personal property located in the field offices, (iii) the vehicles and trailers set forth on *Exhibit H-2* and (iv) all materials, supplies, equipment, machinery, separators, storage facilities, processing, separation, and treatment facilities, casing, tubing, flow lines, lateral lines, associated piping, electric lines, pumps, motors, electric lines, compression equipment and facilities, platforms, pads, rods, tanks, tap connections, fittings, valves, meters and manifolds, pumping units, injection facilities, tanks, saltwater disposal facilities and improvements to any of the foregoing and any other personal property and fixtures related to or used in connection with the Conveyed Interests, excluding such items set forth in *Schedule 2.1(p)* ("***Personal and Other Property***");

(q) the cores and cuttings described on *Exhibit I* (collectively, the "***Transferred Cores***");

(r) all Applicable Contracts and all rights and obligations thereunder, including those Applicable Contracts described on *Schedule 7.7*;

(s) all Imbalances relating to the Conveyed Interests (including Imbalances maintained by DGS);

(t) originals, if available, otherwise copies of all files, records, information, and data in Seller's or its Affiliates' possession or control and to the extent relating to Seller's or its Affiliates' ownership and/or operation of the Conveyed Interests, including all: (i) land files and title records (including abstracts of title, title opinions and title curative documents), lease and land files, surveys, filings with regulatory agencies and other similar documents and records that relate to the Conveyed Interests; (ii) all Applicable Contract files; (iii) operations, production and accounting records; (iv) facility and well records; (v) maps, geological, engineering, exploration, production and other technical data that relates to the Conveyed Interests (excluding any interpretive data or

other technical analysis); and (vi) all other books, records, files and magnetic tapes containing financial or title information that relate to the Conveyed Interests (collectively, the "***Records***");

(u) all claims and causes of action (including claims for adjustments and refunds and settlements thereof) and all proceeds arising from such claims and causes of action, in each case, to the extent (i) attributable to the Conveyed Interests insofar as attributable to the period of time after the Effective Time, and (ii) not attributable to any matter for which Seller is providing indemnification hereunder;

(v) all accounts receivable for which the Purchase Price was adjusted pursuant to *Section 3.3(a)(viii)* or for which Buyer is receiving the benefit hereunder, and all claims, causes of action, and rights under liens related thereto;

(w) all Third Party geophysical and other seismic and related technical data and information relating to the Conveyed Interests, excluding any geologic and geophysical interpretations of Seller or its Affiliates, to the extent such data and information may be assigned without Third Party consent or expenditures beyond tape copying costs and expenses unless Buyer has paid such expenditures and entered into a license agreement with the applicable Third Party licensor thereof;

(x) any asset, property or interest acquired by Seller or any of its Affiliates following the Effective Time that would otherwise constitute a "***Conveyed Interest***" if owned by Seller or any of its Affiliates as of the Effective Time and for which Buyer will assume responsibility for the Post-Effective Time Expenses arising therefrom pursuant to the terms of this Agreement;

(y) all (i) trade credits, accounts receivable, take-or-pay amounts receivable, and other receivables and general intangibles, to the extent attributable to the other Conveyed Interests for periods of time from and after the Effective Time; (ii) liens and security interests in favor of Seller or any of its Affiliates under any Law or Contract to the extent arising from, or relating to, the ownership, operation, or sale or other disposition on or after the Effective Time of any of the other Conveyed Interests or to the extent arising in favor of Seller or any of its Affiliates with respect to any Conveyed Interest or any Assumed Obligation for which Buyer is providing indemnification hereunder; and (iii) indemnity, contribution, and other such rights in favor of Seller or any of its Affiliates arising under any of the Conveyed Interests to the extent attributable to the other Conveyed Interests for periods of time from and after the Effective Time or any Assumed Obligation for which Buyer is providing indemnification hereunder, except, in each case, to the extent relating to any matter for which Seller is providing indemnification hereunder;

(z) all partnership interests of any kind or character in the Tarrant Salt Water Disposal Joint Venture (the "***Water Disposal JV Interests***");

(aa) the Suspense Funds (if, and solely to the extent, the Purchase Price is adjusted downward with respect to such Suspense Funds in accordance with *Sections 3.3(b)(viii)* and *9.8*);

(bb) all audit and other similar rights (including, for purposes of clarity, the right to receive adjustments, refunds or other proceeds related to or payable in connection with the exercise of any such rights) arising under any of the Applicable Contracts or otherwise with respect to any period occurring before, on or after the Effective Time pertaining to any of the other Conveyed Interests, in each case, to the extent not related to matters for which Seller is providing indemnification hereunder;

(cc) all rights, remedies, claims, demands, damages, losses, costs, Liabilities, interest or causes of action whatsoever, at Law or in equity, known or unknown, against any Third Party which Seller or any of its Affiliates might now or subsequently may have, to the extent specifically based upon, relating to or arising out of the Assumed Obligations for which Buyer is providing indemnification hereunder, including rights to contribution under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, breaches of statutory or implied warranties, nuisance or other tort actions, rights to punitive damages, common Law rights of contribution and all rights and remedies of any kind arising under or with respect to any Applicable Contracts ((i) whether related to periods of time occurring before, on or after the Effective Time and (ii) including audit and other similar rights (including, for purposes of clarity, the right to receive adjustments, refunds or other proceeds related to or payable in connection with the exercise of any such rights)) and, where necessary to give effect to the assignment, conveyance and/or transfer of any of the foregoing, Seller (on its own behalf and on behalf of its applicable Affiliates) grants to Buyer the right to be subrogated thereto, except, in each case, to the extent relating to matters for which Seller is providing indemnification hereunder; and (dd) if acquired by Seller prior to Closing in accordance with *Section 9.14*, the Other Working Interest Owner Interests.

The term "***Subject Properties***," as used in this Agreement, means the 100% interest on an 8/8ths basis in and to the Leases, the Wells, the Fee Minerals, the Non-Cost Bearing Interests, the Units, the Hydrocarbons and minerals described in *Section 2.1(e)* and *Section 2.1(f)*, the Other Wells, the Surface Fee Interests, the DGS Surface Fee Interests, the Pipeline Systems, the SWGP Pipeline Systems, the DGS Pipeline Systems, the Rights-of-Way, the SWGP Rights-of-Way, the DEC Rights-of-Way, and other Midstream Facilities and the Personal and Other Property of which the Conveyed Interests are the whole or a part, as applicable, less and except the Excluded Assets and Other Matters.

2.2 ***Excluded Assets and Other Matters***. Notwithstanding anything in this Agreement to the contrary, the Conveyed Interests do not include, and Seller and its Affiliates shall reserve and retain, all of the Excluded Assets and Other Matters.

2.3 ***Revenues and Expenses***.

(a) Except (i) with respect to the Designated Wells to the extent set forth below in this *Section 2.3(a)* and (ii) as expressly provided otherwise in this Agreement (including *Section 3.3* and *Section 3.6(b)*), Seller shall remain entitled to all of the rights of ownership (including the right to all

production, proceeds of production, and other proceeds) attributable to the Conveyed Interests for the period of time prior to the Effective Time and shall remain responsible (by payment, through the adjustments to the Purchase Price under this Agreement or otherwise) for all Pre-Effective Time Expenses. Except (A) with respect to the Designated Wells to the extent set forth below in this *Section 2.3(a)* and (B) as expressly provided otherwise in this Agreement (including *Section 3.3* and *Section 3.6(b)*), and subject to the occurrence of Closing, Buyer shall be entitled to all of the rights of ownership (including the right to all production, proceeds of production, and other proceeds, but excluding all proceeds for which the Purchase Price is adjusted pursuant to *Section 3.6(b)*), attributable to the Conveyed Interests for the period of time commencing at the Effective Time (including pursuant to the EnLink Agreements to be executed and delivered at Closing), and shall be responsible for (by payment, through the adjustments to the Purchase Price under this Agreement or otherwise) all Post-Effective Time Expenses (including any pre-payments made before the Effective Time for services, work or goods performed or to be performed, or delivered or to be delivered after the Effective Time if, and solely to the extent, such pre-payments (including, for purposes of clarity, the amounts and payees thereof) are identified and set forth (as of the Execution Date) on *Schedule 3.3(a)(ii)*). With respect to the Designated Wells, Buyer shall (1) be responsible (by payment, through the adjustments to the Purchase Price under this Agreement or otherwise) for all Designated Well Costs as described on the authorizations for expenditure set forth on *Schedule 2.3(a)* hereto (the "***Approved AFEs***") irrespective of whether such costs or expenses are incurred prior to, on or after the Effective Time and (2) be entitled to all production, proceeds of production, and other proceeds attributable to the Designated Wells (including, for purposes of clarity, any interest in or to the Designated Wells that is included in, or that constitutes a part of, the Other Working Interest Owner Interests, but only if and to the extent Seller acquires the Other Working Interest Owner Interests prior to Closing in accordance with *Section 9.14*) irrespective of whether such production, proceeds of production, and other proceeds are attributable to the period of time prior to, on or after the Effective Time. The amounts described in this *Section 2.3(a)* which are received or paid prior to Closing shall be accounted for in the Preliminary Settlement Statement or Final Settlement Statement, as applicable; *provided*, *however*, that the Preliminary Settlement Statement may contain estimated amounts in accordance with *Section 3.4*. Such amounts which are received or paid after Closing but prior to the date of the Final Settlement Statement shall be accounted for in the Final Settlement Statement.

(b) Subject to the terms and provisions of this Agreement, Seller shall remain responsible for, and Buyer shall have no responsibility for, nor shall the Purchase Price be adjusted upward for, any amounts actually paid or incurred by or on behalf of Seller or any of its Affiliates in connection with (i) curing, removing, Remediating or remedying (or attempting to cure, remove, Remediate or remedy), as applicable, any Title Defect or any Environmental Defect, (ii) any Specified Obligation for which Seller is providing indemnification hereunder or (iii) obtaining or attempting to obtain any consents or approvals or waivers of any Preferential Purchase Right or Consent (including any Post-Closing Consent, Medium Consent or Required Consent); *provided* that nothing in this sentence shall be construed to require Seller to incur any such amounts. Except as expressly provided otherwise in this Agreement (including *Section 3.3* and *Section 3.6(b)*), after the Parties' agreement upon the Final Settlement Statement and until the second anniversary of the Closing Date, (A) if either Party or any of their respective Affiliates receives monies belonging to the other Party or any of its respective Affiliates, including proceeds or revenues of production, then such amount shall, within 30 days after the end of the calendar month in which such amounts were received, be paid over to the proper Party, (B) if either Party or any of their respective Affiliates pays monies for Operating Expenses which are the obligation of the other Party or any of its respective Affiliates, then such other Party shall, within 30 days after the end of the calendar month in which the applicable invoice and proof of payment of such invoice were received, reimburse the Party which paid (or whose Affiliate paid) such Operating Expenses, (C) if a Party or any of its Affiliates receives an invoice of an expense or obligation (other than an expense or obligation with respect to Asset Taxes (which shall be governed by *Section 15.2*), Income Taxes or Transfer Taxes) which is owed by the other Party or any of its Affiliates, such Party (or its Affiliate) receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same and such Party obligated to pay shall promptly pay such obligation to the obligee thereof, and (D) if an invoice or other evidence of an obligation (other than an obligation with respect to Asset Taxes (which shall be governed by *Section 15.2*), Income Taxes or Transfer Taxes) is received by a Party or any of its Affiliates, which is partially an obligation of both Seller and Buyer (and/or their respective Affiliates), then the Parties shall consult with each other, and each shall promptly pay its portion of such obligation to the obligee thereof.

(c) Each of Seller and Buyer shall be permitted to offset any Operating Expenses owed by such Party to the other Party pursuant to this *Section 2.3* against amounts owing by the second Party to the first Party pursuant to this *Section 2.3*; *provided* that (i) such amounts to be offset are undisputed and liquidated in amount and (ii) written notice of the offset is provided by the offsetting Party to the other Party at least five (5) Business Days prior to such offset.

ARTICLE III
PURCHASE PRICE

3.1 ***Purchase Price***. Subject to the terms and conditions set forth in this Agreement, the purchase price for the transfer of the Conveyed Interests and the transactions contemplated hereby shall be $770,000,000.00 (the "***Purchase Price***"), as adjusted pursuant to this Agreement, and shall be payable by Buyer to Seller in accordance with this Agreement by wire transfer in immediately available funds to a bank account of Seller (the details of which shall be provided by Seller to Buyer in the Preliminary Settlement Statement).

3.2 ***Deposit***. Contemporaneously with the execution of this Agreement, (a) the Parties and the Escrow Agent are entering into the Escrow Agreement, and (b) Buyer is depositing on the Execution Date by wire transfer in same day funds with the Escrow Agent an amount equal to $70,000,000 (such amount, including all interest earned thereon, the "***Deposit***"). If Closing occurs, the Deposit shall be disbursed to Seller and applied toward the Adjusted Purchase Price at Closing. Otherwise, the Deposit shall be handled in accordance with *Section 14.2*.

3.3 ***Adjustment to Purchase Price***. The Purchase Price shall be adjusted as follows (without duplication), and the resulting amount shall be in this Agreement called the "***Adjusted Purchase Price***":

(a) The Purchase Price shall be adjusted upward by the following amounts:

(i) an amount equal to (A) all proceeds and revenues actually received by Buyer attributable to the sale of Seller's and DGS's

net revenue interest share of all Hydrocarbons in Storage (in each case net of any Burdens payable to Third Parties) to the extent such Hydrocarbons in Storage are sold prior to the Closing Date, net of expenses paid by Buyer (other than (1) Operating Expenses, (2) other expenses taken into account pursuant to *Section 3.3(b)*, (3) Income Taxes, (4) Asset Taxes and (5) Transfer Taxes) that are paid to Third Parties and are attributable to the post-production marketing of those Hydrocarbons (such as, gathering, compression, storage, processing, treatment, and transportation expenses and marketing fees) and not reimbursed to Buyer by a Third Party purchaser and (B) for Hydrocarbons in Storage other than those described in *clause (A)* above, the value of Seller's and DGS's net revenue interest share of all such Hydrocarbons in Storage to be based upon the contract price for those Hydrocarbons in effect as of the Effective Time, or if there is no such contract price, $1.50/MMBtu for gaseous Hydrocarbons and $20.00/bbl for liquid Hydrocarbons;

(ii) an amount equal to all Post-Effective Time Expenses paid by or economically borne by Seller (or offset against proceeds and revenues attributable to Seller's net revenue interest share of Hydrocarbons produced from the Conveyed Interests), whether paid or offset before or after the Effective Time, in each case, as set forth on *Schedule 3.3(a)(ii)*;

(iii) the amount described on *Schedule 3.3(a)(iii)*;

(iv) the amount of all Asset Taxes allocated to Buyer in accordance with *Section 15.2* but that are paid or otherwise economically borne by Seller;

(v) to the extent that Seller or any of its Affiliates has underproduced any Hydrocarbons as of the Effective Time as shown with respect to the net Well Imbalances set forth in *Schedule 7.10*, as complete and final settlement of all such Well Imbalances attributable to the Conveyed Interests, an amount equal to the product of the underproduced gaseous Hydrocarbon volumes times $1.50/MMBtu;

(vi) to the extent that Seller or any of its Affiliates has over-delivered any Hydrocarbons as of the Effective Time as shown with respect to the net Pipeline Imbalances set forth in *Schedule 7.10*, as complete and final settlement of all such Pipeline Imbalances attributable to the Conveyed Interests, an amount equal to the product of the over-delivered gaseous Hydrocarbon volumes times $1.50/MMBtu;

(vii) the Overhead Costs;

(viii) to the extent Seller has not been reimbursed prior to the delivery of the Final Settlement Statement pursuant to *Section 3.6(a)*, the aggregate amount of accounts receivable with respect to the total amount of costs and expenses paid by or will be paid by Seller on behalf of, or that are chargeable to, any Third Party with respect to any Subject Property attributable to the time period from and after the Effective Time (and as set forth on *Schedule 3.3(a)(viii)* for the portion of such costs and expenses paid by Seller prior to the Execution Date), which such adjustment shall not be made at Closing, but shall be made in connection with the Final Settlement Statement and taken into account in the Final Price;

(ix) an amount equal to all proceeds and revenues actually received by Buyer attributable to the sale of Hydrocarbons produced from or allocated to the Conveyed Interests prior to the Effective Time, net of all Burdens (*provided*, *that* to the extent such a netting for Burdens is made, Buyer shall assume the obligation to pay the netted amounts to the Persons to whom such amounts are due); and

(x) any other amount provided for elsewhere in this Agreement as an upward adjustment to the Purchase Price or otherwise agreed upon in writing by Seller and Buyer as an upward adjustment to the Purchase Price.

(b) The Purchase Price shall be adjusted downward by the following amounts:

(i) an amount equal to all proceeds and revenues (y) actually received by Seller or its Affiliates or (z) that would have been received by Seller or its Affiliates if Seller would have acquired the Other Working Interest Owner Interests as of the Effective Time, in each case of (y) and (z), attributable to the sale of Seller's and its Affiliate's net revenue interest share of Hydrocarbons produced from or allocable to (A) the Conveyed Interests, in each case, attributable to the period of time commencing at the Effective Time or (B) the Designated Wells, in each case, attributable to the period of time commencing prior to, on or after the Effective Time, in each case of (A) and (B), net of expenses paid or economically borne by Seller (other than (1) Operating Expenses, (2) other expenses taken into account pursuant to *Section 3.3(a)*, (3) Income Taxes, (4) Asset Taxes and (5) Transfer Taxes) that are paid to Third Parties and are attributable to the post-production marketing of those Hydrocarbons (such as gathering, compression, storage, processing, treatment, and transportation expenses and marketing fees) and not reimbursed to Seller by a Third Party purchaser;

(ii) the amount of all Asset Taxes allocated to Seller in accordance with *Section 15.2* but that are paid or otherwise economically borne by Buyer;

(iii) any reduction to the Purchase Price pursuant to Seller's election under *Section 5.3(d)(i)*;

(iv) any reduction to the Purchase Price pursuant to Seller's election under *Section 6.1(c)(i)*;

(v) the Allocated Value of the Conveyed Interests excluded from the transactions contemplated hereby pursuant to *Sections 4.1(b)*, *5.3(d)(ii)*, *5.4(c)*, *5.5(a)(i)*, *5.5(a)(iii)*, *5.5(b)(i)*, *5.5(b)(ii)* or *6.1(c)(ii)*;

(vi) to the extent that Seller or any of its Affiliates has overproduced any Hydrocarbons as of the Effective Time including as shown with respect to the net Well Imbalances set forth in *Schedule 7.10*, as complete and final settlement of all such Well Imbalances attributable to the Conveyed Interests, an amount equal to the product of the overproduced gaseous Hydrocarbon volumes times $1.50/MMBtu;

(vii) to the extent that Seller or any of its Affiliates has under-delivered any Hydrocarbons as of the Effective Time including as shown with respect to the net Pipeline Imbalances set forth in *Schedule 7.10*, as complete and final settlement of all such Pipeline Imbalances attributable to the Conveyed Interests, an amount equal to the product of the under-delivered gaseous Hydrocarbon volumes times $1.50/MMBtu;

(viii) an amount equal to Suspense Funds that are held by Seller or any of its Affiliates as of the Closing Date or a date after Closing when the Liability to such Suspense Funds are transferred from Seller to Buyer, in each case, in accordance with *Section 9.8*;

(ix) the Allocated Other Working Interest Owner Amount if the Other Working Interest Owner Interest is not acquired by Seller prior to Closing; and

(x) any other amount provided for elsewhere in this Agreement as a downward adjustment to the Purchase Price or otherwise agreed upon in writing by Seller and Buyer as a downward adjustment to the Purchase Price.

3.4 ***Adjustment Methodology***. When available, actual figures will be used for the adjustments to the Purchase Price at Closing. To the extent actual figures are not available, good faith estimates (including those with respect to expenses and revenues) will be used subject to final adjustments in accordance with *Section 3.6* and *Section 3.7*.

3.5 ***Preliminary Settlement Statement***. Not later than 5 Business Days prior to the Scheduled Closing Date, Seller shall prepare (in good faith and in accordance with the provisions of this Agreement) and submit to Buyer for review a draft settlement statement (the "***Preliminary Settlement Statement***") that shall set forth the Adjusted Purchase Price, reflecting each adjustment made in accordance with this Agreement as of the date of preparation of such Preliminary Settlement Statement and the calculation of the adjustments used to determine such amount (including as a result of the EnLink Agreements to be executed and delivered at Closing), together with (x) reasonable supporting summary documentation and (y) the designation of Seller's accounts for the wire transfers of funds as set forth in *Section 3.1* and *Section 12.3(g)*. Within two Business Days after receipt of the Preliminary Settlement Statement, Buyer may (without waiving any of its rights or remedies under this Agreement or otherwise), but shall not be obligated to, deliver to Seller a written report containing all changes with the explanation therefor that Buyer proposes to be made to the Preliminary Settlement Statement (based upon Buyer's knowledge at such time). The Parties shall in good faith attempt to agree on the Preliminary Settlement Statement as soon as possible after Seller's receipt of Buyer's written report. The Preliminary Settlement Statement, as agreed upon by the Parties, will be used to adjust the Purchase Price at Closing; *provided* that if the Parties do not agree on an adjustment set forth in the Preliminary Settlement Statement prior to the Closing, the amount of such adjustment set forth in the Preliminary Settlement Statement as presented by Seller (as modified by any subsequent agreements by the Parties) will be used to adjust the Purchase Price at Closing, absent manifest error.

3.6 ***Final Settlement Statement***.

(a) On or before 120 days after the Closing, Seller shall deliver to Buyer a final settlement statement (the "***Final Settlement Statement***") prepared by Seller in good faith based on actual income and expenses during the Interim Period and which takes into account all final adjustments made to the Purchase Price and shows the resulting final Adjusted Purchase Price (the "***Final Price***"), which Final Settlement Statement shall include reasonable supporting summary documentation. The Final Settlement Statement shall set forth the actual proration of the amounts required by this Agreement. As soon as practicable, and in any event within 30 days after receipt of the Final Settlement Statement, except with respect to the matters addressed in *Section 5.3(j)* and *Section 6.1(f)* (if applicable), Buyer will deliver to Seller a written report containing any proposed changes to the Final Settlement Statement and an explanation of any such changes and the reasons therefor (the "***Dispute Notice***"). Any matters included in a Dispute Notice shall be resolved pursuant to *Section 3.7* and as resolved shall become part of the Final Settlement Statement and Final Price, as applicable. Any changes not so specified in the Dispute Notice shall be deemed waived and Seller's determinations with respect to all such elements of the Final Settlement Statement that are not addressed specifically in the Dispute Notice shall prevail. If Buyer fails to timely and properly deliver a Dispute Notice to Seller containing changes Buyer proposes to be made to the Final Settlement Statement, the Final Settlement Statement as delivered by Seller and the Final Price set forth therein will be deemed to be correct and mutually agreed upon by the Parties, and will, without limiting *Section 15.2(c)*, be final and binding on the Parties and not subject to further audit or arbitration. If the Adjusted Purchase Price as paid at Closing pursuant to the Preliminary Settlement Statement is less than the Final Price, then, subject to *Section 5.3(j)* and *Section 6.1(f)* (if applicable), such shortage shall be paid by Buyer to Seller within 10 days after final determination of such owed amounts in accordance herewith. If the Adjusted Purchase Price as paid at Closing pursuant to the Preliminary Settlement Statement is more than the Final Price, then, subject to *Section 5.3(j)* and *Section 6.1(f)* (if applicable), such overage shall be paid by Seller to Buyer within 10 days after final determination of such owed amounts in accordance herewith. All amounts paid by any Party pursuant to this *Section 3.6* shall be delivered in United States currency by wire transfer of immediately available funds to the account specified in writing by the relevant Party.

(b) At the Closing, if applicable, Buyer shall deposit into the Escrow Account an amount equal to the Defect Escrow Amount. The "***Defect Escrow Amount***" shall mean (i) the aggregate amount of Title Defect Amounts asserted by Buyer with respect to all uncured Title Defects that were timely and properly asserted by Buyer pursuant to *Section 5.3(a)* and that Seller has elected to cure in good faith or are the subject of a Title Dispute (including any dispute as to whether Seller has cured such asserted Title Defects), *plus* (ii) the Remediation Amounts or Allocated Values, as applicable, asserted by Buyer for all uncured Environmental Defects that were timely and properly asserted by Buyer pursuant to *Section 6.1(a)* and that are the subject of a Disputed Environmental Matter (including any dispute as to whether Seller has cured such asserted Environmental Defects or as to whether Seller or Buyer is entitled to the remedy under *Section 6.1(c)(ii)*), *less* (iii) to the extent offsetting the Title Defect Amounts, the aggregate amount of Title Benefits Amounts asserted by Seller with respect to all Title Benefits that were timely and properly asserted by Seller pursuant to *Section 5.3(b)* and that Buyer has conceded or are the subject of a Title Dispute, in each case as applicable, after application of the Individual Title Defect Threshold or the Individual Environmental Threshold, as applicable, and (without duplication of the application thereof) the Title Defect Deductible, the Environmental Defect Deductible and other limitations set forth in *Section 5.3(i)* or *Section 6.1(e)*, as applicable; *provided* that in no event shall the Defect Escrow Amount be less than zero. The Defect Escrow Amount shall be released from time to time to the Party entitled to such amount as determined pursuant to this Agreement, and the Parties shall instruct the Escrow Agent accordingly. Subject to the Parties' rights under *Section 5.3(j)* and *Section 6.1(f)*, as applicable, to the extent a Title Defect or Environmental Defect is cured or Remediated, as applicable, prior to the Title Defect Cure Deadline or Environmental Defect Cure Deadline, as applicable, and the Title Defect Amount, Remediation Amount or Allocated Value, as applicable, for the applicable Title Defect Property or Environmental Defect Property is part of the Defect Escrow Amount, then such Title Defect Amount, Remediation Amount or Allocated Value, as applicable, to the extent corresponding to such cure shall be released to

Seller. Subject to the Parties' rights under *Section 5.3(j)* and *Section 6.1(f)*, as applicable, to the extent a Title Defect or Environmental Defect is not cured or Remediated, as applicable, prior to the Title Defect Cure Deadline or Environmental Defect Cure Deadline, as applicable, and the Title Defect Amount, Remediation Amount or Allocated Value, as applicable, for the applicable Title Defect Property or Environmental Defect Property is part of the Defect Escrow Amount, then such Title Defect Amount, Remediation Amount or Allocated Value, as applicable, to the extent corresponding to such failure to cure shall be released to (A) Seller or Buyer, as applicable, in accordance with any agreement between the Parties or (B) to the Party entitled to such amount upon final resolution of each unresolved Title Dispute or unresolved Disputed Environmental Matter pursuant to *Section 5.3(j)* or *Section 6.1(f)*, as applicable.

(c) Notwithstanding anything to the contrary in this Agreement (including, for purposes of clarity, this *Section 3.6*), excepting those matters for which a Party is obligated to provide indemnification pursuant to *Article XIII* or under *Section 2.3(b)* or *Section 15.2(e)*, if the Final Price set forth in the Final Settlement Statement is mutually agreed upon by Seller and Buyer or determined pursuant to *Section 3.6(a)*, (i) the Final Settlement Statement and the Final Price shall, without limiting *Section 15.2(c)*, be final and binding on the Parties, and, without limitation of Seller's indemnity obligations with respect to the Specified Obligations, shall be the final accounting for any and all Operating Expenses and there shall be no adjustment for, or obligation to pay, any Operating Expenses between the Parties following the Final Settlement Statement and (ii) after the date that is two years following the Closing Date, there shall be no obligation of the Parties to account to one another for proceeds and revenues with respect to any Hydrocarbons produced from and/or allocated to the Conveyed Interests prior to the Effective Time.

3.7 ***Disputes***.

(a) If Seller and Buyer are unable to resolve the matters addressed in a Dispute Notice (if any), for a 30-day period following written notice from either Party, an officer or representative designated by each Party shall attempt to resolve such dispute.

(b) If Seller and Buyer are unable to resolve their dispute within the period set forth in *Section 3.7(a)*, either Party may initiate the arbitration process set forth in this *Section 3.7(b)* by sending a written notice to the other Party (the "***Arbitration Notice***") within 20 days of the expiration of the 30-day period described in *Section 3.7(a)*. Each Party shall, within 14 Business Days after the delivery of the Arbitration Notice, summarize its position with regard to such dispute in a written document of 20 pages or less and submit such summaries to the Houston, Texas office of Deloitte Touche Tohmatsu Limited, or such other Person as the Parties may mutually select (the "***Accounting Arbitrator***"), together with the Dispute Notice, the Arbitration Notice, the Final Settlement Statement and any other documentation such Party may desire to submit. Within 20 Business Days after receiving the Parties' respective submissions, the Accounting Arbitrator shall render a decision choosing either Seller's position or Buyer's position with respect to each matter addressed in any Dispute Notice, based on the materials submitted to the Accounting Arbitrator as described above. Once appointed, the Accounting Arbitrator shall have no *ex parte* communication with either Party related to the Dispute Notice. Any decision rendered by the Accounting Arbitrator pursuant hereto shall, without limiting *Section 15.2(c)*, be final, conclusive and binding on Seller and Buyer and will be enforceable against the Parties in any court of competent jurisdiction. The Accounting Arbitrator shall act as an expert for the limited purpose of determining the specific dispute submitted by either Party and may not award damages, interest or penalties to either Party with respect to any matter, except as otherwise provided in the following sentence. The costs of the Accounting Arbitrator and the reasonable legal costs and other expenses incurred by the Parties in connection with the arbitration shall be borne pro rata between the Parties with each Party being responsible for such costs and expenses to the extent the Accounting Arbitrator has not selected such Party's position on an aggregate dollar basis with respect to all amounts submitted for resolution by the Accounting Arbitrator.

3.8 ***Allocated Values***. Solely for the purposes of determining the value of Conveyed Interests in connection with any Title Defect, Environmental Defect, Preferential Purchase Right, Required Consent, Casualty Loss and/or breach of Special Warranty under this Agreement, Buyer and Seller have allocated the Purchase Price among (a) the Leases set forth on *Exhibit A*, (b) the Wells set forth on *Exhibit B*, (c) the Conveyed Interests identified on *Schedule I-2* and (d) the Conveyed Interests identified on *Schedule I-3*. The value so allocated to (w) a particular Lease identified on *Exhibit A*, (x) a particular Well identified on *Exhibit B*, (y) a particular Conveyed Interest identified on *Schedule I-2* or (z) a particular Conveyed Interest identified on *Schedule I-3* may be referred to as "***Allocated Value***" for that Lease, Well or Conveyed Interest, as applicable. Buyer and Seller agree that such allocation is reasonable and shall not take any position inconsistent therewith, including in notices to holders of Preferential Purchase Rights. Seller, however, makes no representations or warranties as to the accuracy of such value or allocation.

3.9 ***Withholding***. Buyer shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to Taxes; *provided, however,* other than with respect to any withholding as a result of Seller's failure to provide the forms described in *Section 12.2(j)*, Buyer shall provide at least five Business Days' written notice to Seller if Buyer intends to withhold any amounts under this *Section 3.9*. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made by Buyer.

ARTICLE IV
ACCESS / DISCLAIMERS

4.1 ***Access***.

(a) From and after the Execution Date until the earlier to occur of (x) the Closing Date and (y) the date on which the Agreement is terminated in accordance with its terms, but subject to the other provisions of this *Section 4.1* and obtaining any required consents of any applicable Third Parties (which Seller shall use its good faith and commercially reasonable efforts to obtain without any obligation to expend any monies or undertake any obligations (other than requesting such consents) in connection with obtaining such access), Seller and its applicable Affiliates shall afford to Buyer and its Representatives ("***Buyer's Representatives***") reasonable access, during normal business hours, to the Subject Properties, all material Records and such other

Records requested by Buyer that are in Seller's or any of its Affiliates' possession or control, at such time and to the extent reasonably necessary to conduct the title or environmental review for the purposes of *Article V* and *Article VI*. Buyer shall give Seller reasonable prior written notice before physically accessing any of the Subject Properties, and Seller or its designee shall have the right, but not the obligation, to accompany Buyer and Buyer's Representatives at Seller's sole cost whenever Buyer and/or Buyer's Representatives physically access any Subject Property. All due diligence evaluation of the Subject Properties (including all investigations and inspections) conducted by Buyer or any Buyer's Representative shall be conducted at Buyer's sole cost, risk and expense and any conclusions made from any examination done by Buyer or any Buyer's Representative shall result from Buyer's own independent review and judgment.

(b) Subject to, and without limitation of, the terms set forth in this *Section 4.1(b)*, from the Execution Date until the Environmental Defect Claim Date, Buyer's inspection right with respect to the Environmental Condition of the Subject Properties shall be limited to conducting a Phase I ESA of the Subject Properties. Such Phase I ESA of the Subject Properties shall be limited to visual inspections of the Subject Properties and review of Records relating to the Subject Properties, and, in conducting such Phase I ESA, Buyer shall not operate any equipment or conduct any testing or sampling of soil, groundwater, air, or other substances or materials (including any testing or sampling for Hazardous Substances, Hydrocarbons or NORM). Notwithstanding anything in this Agreement to the contrary, Buyer shall not have access to, and shall not be permitted to, conduct any Phase I ESA of any Subject Property if neither Seller nor any of its Affiliates has the authority to grant access for such Phase I ESA or Seller's request for such access has been denied; *provided*, *however*, that Seller shall use its commercially reasonable good faith efforts to obtain such access without the obligation to expend any monies or undertake any obligations (other than requesting such consents) in connection with obtaining such access. If Buyer determines in good faith that a Phase I ESA determines that sampling, testing, or other investigative activities (a "***Phase II ESA***") are necessary in order for Buyer to prove the existence of or determine the Remediation Amount for, as applicable, an Environmental Defect that could reasonably be expected to exceed the Individual Environmental Threshold as determined by Buyer in good faith and Buyer desires to perform any such Phase II ESA, Buyer shall, prior to the Environmental Defect Claim Date, (i) furnish Seller with a written description of the proposed scope of such Phase II ESA, including a description of the specific activities to be conducted, and a description of the approximate location and expected timing of such activities and (ii) obtain the prior written consent of Seller (such consent to be given at Seller's sole discretion) to undertake such Phase II ESA. If the proposed Phase II ESA unreasonably interferes with the normal operations of the Subject Properties or otherwise may cause an undue risk of harm to the site, Seller may request an appropriate modification of the Phase II ESA. If Seller denies a good faith request by Buyer to undertake such Phase II ESA on any Subject Property pursuant to the foregoing provisions of this *Section 4.1(b)*, Buyer shall have the right to exclude such Subject Property from the Conveyed Interests to be conveyed to Buyer at Closing in which event the Purchase Price shall be reduced by the Allocated Value of such Subject Property(ies) (and such Subject Property(ies) shall thereafter constitute Excluded Assets and Other Matters for all purposes of this Agreement). Any Phase I ESA and approved Phase II ESA shall be conducted by an Approved Buyer Environmental Consultant. Buyer shall obtain all permits necessary to conduct any approved Phase II ESA from any applicable Governmental Authorities prior to performing such approved Phase II ESA.

(c) Buyer shall coordinate its access rights, environmental property assessments, physical inspections and other due diligence evaluation of the Subject Properties with Seller to minimize any inconvenience to or unreasonable interruption of the conduct of business by Seller. To the extent provided to Buyer in advance, Buyer shall abide by Seller's safety rules, regulations and operating policies while conducting its due diligence evaluation of the Subject Properties, including any access to, and environmental or other inspection or assessment of, the Subject Properties. Buyer hereby defends, indemnifies, and holds harmless Seller and each Seller Indemnified Party from and against any and all Liabilities arising out of, resulting from or relating to any field visit, environmental or other inspection or assessment, or other due diligence evaluation conducted by Buyer or any Buyer's Representative with respect to the Subject Properties, **EVEN IF SUCH LIABILITIES ARISE OUT OF OR RESULT FROM, IN WHOLE OR IN PART, THE SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF, OR THE VIOLATION OF LAW BY, ANY SELLER INDEMNIFIED PARTY, EXCEPTING ONLY LIABILITIES TO THE EXTENT ACTUALLY RESULTING FROM THE ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR ANY OTHER SELLER INDEMNIFIED PARTY.**

(d) Buyer acknowledges that any entry into Seller's offices or onto the Subject Properties shall be at Buyer's sole risk, cost and expense, and, subject to the terms hereof and that none of the Seller Indemnified Parties shall be liable in any way for any injury, loss or damage arising out of such entry that may occur to Buyer or any of Buyer's Representatives pursuant to this Agreement. Buyer hereby fully waives and releases any and all Liabilities against all of the Seller Indemnified Parties for any injury, death, loss or damage to any of Buyer's Representatives or their property in connection with Buyer's due diligence evaluation of the Subject Properties, **EVEN IF SUCH LIABILITIES ARISE OUT OF OR RESULT FROM, IN WHOLE OR IN PART, THE SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF, OR THE VIOLATION OF LAW BY, ANY SELLER INDEMNIFIED PARTY, EXCEPTING ONLY LIABILITIES ACTUALLY RESULTING FROM THE ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR ANY OTHER SELLER INDEMNIFIED PARTY.**

(e) If an Environmental Defect Notice is submitted by Buyer, Buyer agrees to contemporaneously provide Seller copies of all final environmental reports and test results prepared by Buyer and/or any of Buyer's Representatives (including Buyer's environmental consulting or engineering firm), which contain data collected or generated from Buyer's and/or any of Buyer's Representatives' due diligence with respect to the Subject Properties that are the subject of the Environmental Defect Notice. Seller shall not be deemed by its or its representatives' receipt of said documents to have made any representation or warranty, express, implied or statutory, as to the condition of the Subject Properties or the accuracy of said documents or the information contained therein.

(f) Upon completion of Buyer's due diligence evaluation of the Subject Properties, Buyer shall at its sole cost and expense and without any cost or expense to Seller or any of its Affiliates (i) repair all damages done to any Subject Properties in connection with Buyer's and/or any of Buyer's Representatives' due diligence evaluation (including any due diligence conducted by Buyer's environmental consulting or engineering firm), (ii) if applicable, restore the Subject Properties to the approximate same condition as they were prior to commencement of any such due diligence evaluation and (iii) remove all equipment, tools and other property brought onto the Subject Properties in connection with such due diligence evaluation. Any material surface disturbance to the Subject Properties (including the leasehold associated therewith) resulting from such due diligence will be promptly corrected by Buyer at Buyer's sole cost and expense.

(g) During all periods that Buyer and/or any of Buyer's Representatives (including Buyer's environmental consulting or engineering firm) are on the Subject Properties, Buyer shall maintain, at its sole cost and expense, customary policies of insurance in accordance with its ordinary course of business. Upon request by Seller, Buyer shall provide evidence of such insurance to Seller prior to entering any of the Subject Properties.

4.2 ***Confidentiality***. Buyer acknowledges that, pursuant to its right of access to the Records or the Subject Properties, Buyer and/or Buyer's Representatives (including Buyer's environmental consulting or engineering firm) will become privy to confidential and other information of Seller and/or Seller's Affiliates and Buyer shall ensure that such confidential information (a) shall not be used for any purpose other than in connection with the transactions contemplated by this Agreement and (b) shall be held confidential by Buyer and Buyer's Representatives (including Buyer's environmental consulting or engineering firm) in accordance with the terms of the Confidentiality Agreement. If the Closing should occur, the foregoing confidentiality restriction on Buyer shall terminate as of the Closing Date (except as to (i) such portion of the Conveyed Interests that are not conveyed to Buyer pursuant to the provisions of this Agreement, (ii) the Excluded Assets and Other Matters, and (iii) information related to Seller or Seller's Affiliates (to the extent unrelated to the Conveyed Interests or the ownership or operation thereof)).

4.3 ***Disclaimers***.

(a) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY SET FORTH IN *ARTICLE VII*, THE CERTIFICATE DELIVERED BY SELLER PURSUANT TO *SECTION 12.3(l)* OR THE SPECIAL WARRANTY SET FORTH IN THE ASSIGNMENTS AND DEEDS, AND EXCEPT FOR FRAUD, (i) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, AND (ii) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY SELLER INDEMNIFIED PARTY). BUYER ACKNOWLEDGES AND AGREES THAT BUYER CANNOT AND WILL NOT RELY ON OR FORM ANY CONCLUSIONS FROM SELLER'S METHODOLOGIES FOR THE DETERMINATION AND CALCULATION OF BURDENS WITH RESPECT TO THE CONVEYED INTERESTS.

(b) EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN *ARTICLE VII*, THE CERTIFICATE DELIVERED BY SELLER PURSUANT TO *SECTION 12.3(l)* OR THE SPECIAL WARRANTY SET FORTH IN THE ASSIGNMENTS AND DEEDS, AND EXCEPT FOR FRAUD AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (i) TITLE TO ANY OF THE CONVEYED INTERESTS, (ii) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE CONVEYED INTERESTS, (iii) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE CONVEYED INTERESTS, (iv) ANY ESTIMATES OF THE VALUE OF THE CONVEYED INTERESTS OR FUTURE REVENUES TO BE GENERATED BY THE CONVEYED INTERESTS, (v) THE PRODUCTION OF OR ABILITY TO PRODUCE HYDROCARBONS FROM THE CONVEYED INTERESTS, (vi) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE CONVEYED INTERESTS, (vii) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE CONVEYED INTERESTS, (viii) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER OR ITS AFFILIATES, OR ITS OR THEIR RESPECTIVE EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (ix) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN *ARTICLE VII*, THE CERTIFICATE DELIVERED BY SELLER PURSUANT TO *SECTION 12.3(l)* OR THE SPECIAL WARRANTY SET FORTH IN THE ASSIGNMENTS AND DEEDS, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO THE MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY OF THE CONVEYED INTERESTS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT BUYER SHALL BE DEEMED TO BE OBTAINING THE CONVEYED INTERESTS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT BUYER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(c) SUBJECT TO, AND WITHOUT LIMITATION OF, SELLER'S REPRESENTATIONS AND WARRANTIES SET FORTH IN *SECTION 7.18* (AND ITS INDEMNITY OBLIGATIONS RELATED THERETO), AND EXCEPT FOR FRAUD, (i) SELLER HAS NOT AND WILL NOT MAKE ANY OTHER REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE CONVEYED INTERESTS, (ii) NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND (iii) SUBJECT TO BUYER'S RIGHTS UNDER *SECTION 6.1*, BUYER SHALL BE DEEMED TO BE TAKING THE CONVEYED INTERESTS "AS IS" AND "WHERE IS" WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION AND THAT BUYER HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(d) BUYER ACKNOWLEDGES AND AGREES THAT BUYER CANNOT RELY ON OR FORM ANY CONCLUSIONS FROM SELLER'S METHODOLOGIES FOR THE DETERMINATION AND REPORTING OF ANY TAXES THAT WERE UTILIZED FOR ANY TAX PERIOD (OR PORTION OF ANY STRADDLE PERIOD) BEGINNING PRIOR TO THE CLOSING DATE FOR PURPOSES OF CALCULATING AND REPORTING TAXES ATTRIBUTABLE TO ANY TAX PERIOD (OR PORTION OF ANY STRADDLE PERIOD) BEGINNING AFTER THE CLOSING DATE, IT BEING UNDERSTOOD THAT BUYER MUST MAKE ITS OWN DETERMINATION AS TO THE PROPER METHODOLOGIES THAT CAN OR SHOULD BE USED FOR ANY SUCH LATER TAX RETURN.

(e) SELLER AND BUYER AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS *SECTION 4.3* ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

ARTICLE V
TITLE MATTERS; CASUALTY; TRANSFER RESTRICTIONS

5.1 ***General Disclaimer of Title Warranties and Representations***. Except as and to the limited extent expressly represented otherwise in *Sections 7.9, 7.14, 7.15*, *7.17, 7.19(a)*, *7.20*, *7.25, 7.26*, *7.31* or *7.32*, the certificate delivered by Seller pursuant *to Section 12.3(l)* (solely to the extent relating to *Sections 7.9, 7.14, 7.15*, *7.17, 7.19(a)*, *7.20*, *7.25, 7.26*, *7.31* or *7.32*) or the Special Warranty set forth in the Assignments and Deeds and without limiting Buyer's remedies for Title Defects set forth in this *Article V*, Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to Seller's title to any of the Conveyed Interests, and Buyer hereby acknowledges and agrees that Buyer's sole remedy for any defect of title, including any Title Defect, with respect to Seller's title to any of the Conveyed Interests shall be (a) as set forth in *Section 5.3*, (b) pursuant to the Special Warranty set forth in the Assignments and Deeds in compliance with *Section 5.2* below and as may otherwise be limited by this Agreement and (c) as set forth in *Sections 7.9, 7.14, 7.15*, *7.17, 7.19(a)*, *7.20*, *7.25, 7.26*, *7.31* or *7.32* and the certificate delivered by Seller pursuant to *Section 12.3(l)* (solely to the extent relating to *Sections 7.9, 7.14, 7.15*, *7.17, 7.19(a)*, *7.20*, *7.25, 7.26, 7.31* or *7.32*).

5.2 ***Special Warranty***.

(a) Special Warranty of Defensible Title. If Closing occurs, then the Assignments and Deeds shall contain a special warranty of title whereby Seller shall warrant Defensible Title of Seller and its Affiliates to the applicable Conveyed Interests unto Buyer and its successors and assigns against every Person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Seller or any of its Affiliates, but not otherwise, subject, however, to the Permitted Encumbrances (the "***Special Warranty***"); *provided*, *however*, that, except with respect to any Liability of Seller for any claim asserted in writing by Buyer to Seller in accordance with this *Section 5.2* and the applicable Assignment or Deed, as applicable, before the expiration of the Survival Period for breach of the Special Warranty, the Special Warranty shall cease and terminate at the end of the Survival Period. The Special Warranty shall be subject to the further limitations and provisions of this *Section 5.2*.

(b) Recovery on Special Warranty.

(i) Buyer's Assertion of Special Warranty Breaches. Prior to the expiration of the period of time commencing as of the Closing Date and ending at 5:00 P.M. (Central Time) on the fourth anniversary thereof (the "***Survival Period***"), Buyer shall be entitled to furnish Seller a Title Defect Notice meeting the requirements of *Section 5.3(a)* setting forth any and all matters which Buyer intends to assert as a breach of the Special Warranty (collectively, the "***Special Warranty Notices***" and, individually, a "***Special Warranty Notice***"). Seller shall have a reasonable opportunity (not to exceed 90 days from delivery of a Special Warranty Notice by Buyer), but not the obligation, to cure any breach of the Special Warranty asserted by Buyer pursuant to this *Section 5.2(b)*. Buyer shall reasonably cooperate (at Seller's sole cost and expense) with any attempt by Seller to cure any such breach. For all purposes of this Agreement, Buyer shall be deemed to have waived, and Seller shall have no further Liability for, any breach of the Special Warranty that Buyer fails to assert by a Special Warranty Notice given to Seller before the expiration of the Survival Period.

(ii) Limitations on Special Warranty. Recovery by Buyer for any breach by Seller or any of its Affiliates of the Special Warranty shall be limited to an amount (without any interest accruing thereon) equal to (A), with respect to the Leases set forth on *Exhibit A* (limited to the Barnett Formation), the Wells set forth on *Exhibit B* (limited to the currently producing formation) and the Conveyed Interests set forth on *Schedule I-2* (limited to the currently completed formation), the reduction to the Purchase Price to which Buyer would have been entitled had Buyer asserted the defect giving rise to such breach of the Special Warranty as a Title Defect prior to the Title Defect Claim Date pursuant to *Section 5.3* and taking into account the last sentence of this *Section 5.2(b)(ii)*, and (B), with respect to all other Conveyed Interests, the amount necessary to be paid to remove the applicable Encumbrance(s) from such Conveyed Interests (net to Seller's and its Affiliates' interest). With respect to those Conveyed Interests described in *clause (A)* above, in no event shall the recovery by Buyer exceed the Allocated Value of the affected Conveyed Interest (or portion thereof affected by such breach) and Buyer shall not be entitled to recover any amount for any breach of the Special Warranty to the extent that the same Title Defect is or has been taken into account for the reduction of the Purchase Price calculated pursuant to the other provisions of this *Article V*. The Individual Title Defect Threshold and the Title Defect Deductible shall not apply to any recovery for any breach by Seller or any of its Affiliates of the Special Warranty.

5.3 ***Notice of Title Defects; Defect Adjustments***.

(a) Title Defect Notices. As a condition to Buyer asserting any claim with respect to any alleged Title Defect, Buyer must deliver claim notices to Seller meeting the requirements of this *Section 5.3(a)* (collectively, the "***Title Defect Notices***" and, individually, a "***Title Defect Notice***") not later than the Title Defect Claim Date setting forth any matters which Buyer intends to assert as a Title Defect pursuant to this *Section 5.3(a)*. For all purposes of this Agreement, the Assignments and Deeds and notwithstanding anything in this Agreement, the Assignments or the Deeds to the contrary, Buyer shall be deemed to have waived, and Seller shall have no Liability for, any Title Defect which Buyer fails to timely and properly assert as a Title Defect by a Title Defect Notice received by Seller before the Title Defect Claim Date, but subject to *Section 5.1*; *provided*, *however*, that, such waiver shall not apply to any Title Defect that is a breach of the Special Warranty. To be effective, each Title Defect Notice shall be in writing, and shall include (i) a description of the alleged Title Defect and the individual Conveyed Interest affected by the alleged Title Defect (each such Lease, Well or Conveyed Interest set forth on *Schedule I-2*, a "***Title Defect Property***"), (ii) the Allocated Value of each Title Defect Property, (iii) supporting documents (which may include landman's reports and title run sheets) reasonably necessary for Seller to identify the alleged Title Defect with respect to each Title Defect Property, and (iv) with respect to each Title Defect Property (any and all of which supporting documents may be furnished via access to a web link or ftp site (in lieu of other means of delivery)), the amount by which Buyer reasonably believes the Allocated Value of the Title Defect Property is reduced by such alleged Title Defect and the computations upon which Buyer's belief is based, in each case, in accordance with *Section 5.3(g)*. Notwithstanding anything to the contrary in this Agreement, the failure of any Title Defect Notice to include any of the information or documentation identified or described in *Section 5.3(a)(i)* through *Section 5.3(a)(iv)* above shall not render such Title Defect Notice void or ineffective if such Title Defect Notice otherwise materially complies with the requirements set forth in this *Section 5.3(a)* and provides Seller with sufficient information to evaluate the alleged Title Defect. Notwithstanding anything in this Agreement to the contrary, and for the avoidance of doubt, Buyer shall not have the right to assert any Title Defect with respect to any Conveyed Interests other than (A) the Leases set forth on *Exhibit A* (limited to the Barnett

Formation), (B) the Wells set forth on *Exhibit B* (limited to the currently producing formation for each such Well) or (C) the Conveyed Interests set forth on *Schedule I-2* (limited to the currently completed formation for each such Conveyed Interest). To give Seller an opportunity to commence reviewing and curing Title Defects, Buyer agrees to use commercially reasonable efforts (without the obligation to expend any monies or undertake any obligations) to give Seller, at least once every 2 calendar weeks prior to the Title Defect Claim Date, written notice of all alleged Title Defects (as well as any claims that would be claims under the Special Warranty) discovered by Buyer during the preceding 2 calendar weeks, which notice may be preliminary in nature and amended, modified, supplemented, replaced and/or withdrawn (in-whole or in-part) at any time prior to the Title Defect Claim Date; *provided* that the failure of Buyer to provide preliminary notice of any Title Defects shall not be deemed to waive, limit, restrict or otherwise prejudice Buyer's right to assert a Title Defect on or before the Title Defect Claim Date in accordance with this *Section 5.3(a)*. Buyer shall also promptly upon discovery, furnish Seller with written notice of any Title Benefit (1) which is actually discovered by Buyer prior to the Title Defect Claim Date, including to the extent Buyer is notified thereof by any of Buyer's or any of its Affiliates' employees, title attorneys, landmen or other title examiners while conducting Buyer's due diligence with respect to the Conveyed Interests prior to the Title Defect Claim Date and (2) as to which Buyer believes in good faith actually exists of record.

(b) Title Benefit Notices. Seller shall have the right, but not the obligation, to deliver to Buyer on or before the Title Defect Claim Date with respect to each Title Benefit a notice (a "***Title Benefit Notice***") including (i) a description of the alleged Title Benefit and the individual Lease or Well affected by such alleged Title Benefit (each such Conveyed Interest, a "***Title Benefit Property***"), (ii) with respect to each Title Benefit Property, the amount by which Seller reasonably believes the Allocated Value of such Title Benefit Property is increased by such alleged Title Benefit, (iii) the computations upon which Seller's belief is based in accordance with *Section 5.3(h)* and (iv) supporting documents reasonably necessary for Buyer to identify such Title Benefit. Other than any Title Benefits which Buyer reports to Seller pursuant to *Section 5.3(a)*, Seller shall be deemed to have waived any Title Benefit which Seller fails to assert as a Title Benefit in a Title Benefit Notice delivered to Buyer on or before the Title Defect Claim Date.

(c) Seller's Right to Cure. Seller shall have the right, but not the obligation, to attempt, at its sole cost, to cure any alleged Title Defects at any time prior to 5:00 p.m. Central Time on the date that is 60 days after the Closing Date (the "***Title Defect Cure Deadline***"); *provided,* that Seller shall only be permitted to exercise such right to elect to cure (or attempt to cure) any such Title Defect during the period between the Closing Date and the Title Defect Cure Deadline if such Title Defect is reasonably capable of being cured by Seller prior to the Title Defect Cure Deadline (as reasonably determined by Seller in good faith). During the period of time from Closing to the expiration of the Title Defect Cure Deadline, Buyer agrees to afford Seller and its officers, employees and other authorized representatives reasonable access, during normal business hours, to the Subject Properties and all Records in Buyer's or any of its Affiliates' possession in order to facilitate Seller's attempt to cure any such Title Defects; *provided* that the indemnity provisions in *Sections 4.1(c)* and *4.1(d)* shall apply to Seller mutatis mutandis. An election by Seller to attempt to cure a Title Defect shall be without prejudice to its other rights under this *Section 5.3* and shall not constitute an admission against interest or a waiver of Seller's right to dispute the existence, nature or value of, or cost to cure, the alleged Title Defect. Seller shall provide Buyer written notice of Seller's good faith election to cure any Title Defect no later than 10 Business Days after the Title Defect Claim Date ("***Cure Notice***"), and the failure to provide notice by such date shall be deemed an election not to cure (or to attempt to cure) by Seller. Such Cure Notice shall identify each individual Title Defect to be cured by Seller. In the event the Seller fails to deliver a Cure Notice within 10 Business Days after the Title Defect Claim Date or fails to deliver a Cure Notice electing to cure a Title Defect identified in the Title Defect Notice, as applicable, Seller shall waive the right to cure such Title Defects.

(d) Remedies for Title Defects. Subject to Seller's continuing right to (x) dispute the existence of a Title Defect and/or the Title Defect Amount asserted with respect thereto as described in *Section 5.3(j)* and (y) cure (or attempt to cure) any Title Defect pursuant to, and in accordance with, *Section 5.3(c),* and subject to the limitations set forth in *Section 5.3(i)* and the rights of the Parties pursuant to *Section 14.1(f)*, in the event that Seller has not cured a Title Defect that has been timely and properly asserted by Buyer in accordance with *Section 5.3(a)* by the expiration of the Title Defect Cure Deadline, and such Title Defect has not been expressly waived by Buyer, Seller shall, at its sole option, elect to:

(i) reduce the Purchase Price or Final Price, as applicable, by the Title Defect Amount determined pursuant to *Section 5.3(g)* or *Section 5.3(j)*; or

(ii) if the Title Defect Amount of any Title Defect applicable to a Title Defect Property equals or exceeds fifty percent (50%) of the Allocated Value of such Title Defect Property, unless Buyer otherwise elects to waive the applicable Title Defect prior to the Closing, Seller may retain such Title Defect Property and reduce the Purchase Price by an amount equal to the Allocated Value (or portion thereof allocable thereto) of such Title Defect Property, in which event the Parties shall, subject to *Article X* and *Article XI*, proceed to the Closing, and such Title Defect Property shall be retained by Seller (and shall, for purposes of clarity, thereafter be deemed to constitute an Excluded Asset and Other Matters for all purposes of this Agreement). For purposes of clarity, (1) if the Title Defect Amount does not exceed 50% of the Allocated Value of such Title Defect Property, then a downward Purchase Price adjustment shall be made in accordance with *Section 5.3(d)(i)* above and (2) notwithstanding anything to the contrary herein, Seller may only elect the remedy set forth in *clause (ii)* above prior to the Closing Date.

In the event that, as of the Closing Date, there are Title Defects with respect to which (A) Seller has not elected to cure pursuant to the Cure Notice and (B) Seller has not notified Buyer that it disputes the Title Defect or the Title Defect Amount, the Purchase Price shall be reduced at Closing by the aggregate Title Defect Amount of such Title Defects as determined pursuant to *Section 5.3(g)* less any Title Benefits with respect to which Buyer has not disputed (or deemed to have conceded pursuant to *Section 5.3(e)*) the Title Benefit or Title Benefit Amount, subject to the limitations in *Section 5.3(e)* and *Section 5.3(i)*. If Seller and Buyer are unable to agree on any Title Defect, Title Benefit, Title Defect Amount or Title Benefit Amount at the Closing, Buyer's good faith determination with respect to such Title Defect, Title Benefit, Title Defect Amount or Title Benefit Amount shall be utilized for purposes of determining the Defect Escrow Amount at Closing.

(e) Remedies for Title Benefits. With respect to each Title Benefit Property reported under *Sections 5.3(a)* or *5.3(b)*, Buyer shall notify Seller in writing on or before the date that is five Business Days prior to the Scheduled Closing Date whether Buyer (i) concedes the Title Benefit asserted therein or (ii) disputes such Title Benefit and/or the Title Benefit Amount thereof, in which case such Title Benefit shall be deemed to be a Title Dispute and the

provisions of *Section 5.3(j)* shall apply. If Buyer fails to notify Seller by such date with respect to such a Title Benefit, Buyer shall be deemed to have conceded such Title Benefit. Title Benefits Amounts shall in no event result in an increase to the Purchase Price, and shall only be applied in the manner set forth in *Section 5.3(i)*.

(f) Exclusive Remedy. Except for Fraud, Buyer's rights under the Special Warranty, and Buyer's right to terminate this Agreement pursuant to *Section 14.1(f)*, and without limitation of any of Seller's indemnity obligations hereunder with respect to *Sections 7.9*, *7.14*, *7.15*, *7.17*, *7.19(a)*, *7.20*, *7.25*, *7.26*, *7.31* or *7.32*, and *Sections 10.4* and *11.4*, *Section 5.3(d)* shall be the exclusive right and remedy of Buyer with respect to Seller's failure to have Defensible Title with respect to any Lease or Well, or any other title matter with respect to any Subject Property, and Buyer hereby waives any and all other rights or remedies with respect thereto. For the avoidance of doubt, the foregoing shall not limit each Party's rights and obligations under *Section 5.5*.

(g) Title Defect Amount. The amount by which the Allocated Value of a Title Defect Property is reduced as a result of the existence of a Title Defect shall be the "***Title Defect Amount***" for such Title Defect Property and shall be determined in accordance with the following terms and conditions (without duplication):

(i) if Buyer and Seller agree on the Title Defect Amount, then that amount shall be the Title Defect Amount;

(ii) if the Title Defect is an Encumbrance that is undisputed and liquidated in amount, then the Title Defect Amount shall be the amount necessary to be paid to remove the Title Defect from such Title Defect Property;

(iii) if the Title Defect represents a decrease of (A) Seller's Net Revenue Interest for a Title Defect Property such that Seller's Net Revenue Interest for such Title Defect Property is less than (B) the Net Revenue Interest set forth for such Title Defect Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, then the Title Defect Amount shall be the product of the Allocated Value of such Title Defect Property *multiplied* by a fraction, the numerator of which is the Net Revenue Interest decrease and the denominator of which is the Net Revenue Interest set forth for such Title Defect Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable;

(iv) if the Title Defect represents an increase of (A) Seller's Working Interest for a Title Defect Property such that Seller's Working Interest for such Title Defect Property is in excess of (B) the Working Interest set forth for such Title Defect Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, without a proportionate increase of Seller's Net Revenue Interest for such Title Defect Property, then the Title Defect Amount shall be the product of the Allocated Value of such Title Defect Property *multiplied* by a fraction, the numerator of which is the Working Interest increase and the denominator of which is the Working Interest set forth for such Title Defect Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable;

(v) if the Title Defect represents a discrepancy where (A) the actual Net Acres for such Title Defect Property is less than (B) the Net Acres set forth on *Exhibit A* for such Title Defect Property, then the Title Defect Amount shall be the product obtained by *multiplying* such Net Acre decrease by the Allocated Value (on a per Net Acre dollar amount basis) for such Title Defect Property;

(vi) if the Title Defect represents an obligation or Encumbrance upon or other defect in title to the Title Defect Property of a type not described above (which shall include any Title Defect which causes Seller not to have Defensible Title in and to a Title Defect Property with respect to any portion, but not the entirety, of such Title Defect Property), then the Title Defect Amount shall be determined by taking into account the Allocated Value of the affected Title Defect Property, the portion of the Title Defect Property affected by the Title Defect, the legal effect of the Title Defect, the potential economic effect of the Title Defect over the life of the affected Title Defect Property, the other applicable methodologies set forth in this *Section 5.3(g)*, and if any, the values placed upon the affected Title Defect Property by Buyer and Seller and such other reasonable factors as are necessary to make a proper evaluation;

(vii) the Title Defect Amount with respect to a Title Defect Property shall be determined without duplication of any costs or losses included in another Title Defect Amount hereunder; and

(viii) notwithstanding anything in this *Article V* to the contrary, the aggregate Title Defect Amounts attributable to the effects of all Title Defects upon any Title Defect Property shall not exceed the Allocated Value of such Title Defect Property (or portion thereof affected by such Title Defects).

If an individual Title Defect affects more than one Title Defect Property, the Title Defect Amounts for each such Title Defect Property shall be aggregated for purposes of determining whether the Title Defect Amounts of any such individual Title Defect in the aggregate exceed the Individual Title Defect Threshold. Further, if a Lease set forth on *Exhibit A* has the same Lease Number as one or more other Leases set forth on *Exhibit A*, for purposes of *Article V*, the Allocated Value of such Lease shall be the aggregate of the amounts set forth under the column titled "Allocated Values" for each such Lease with the same Lease Number.

(h) Title Benefit Amount. The Title Benefit Amount resulting from a Title Benefit shall be determined in accordance with the following methodology, terms and conditions (without duplication):

(i) if Buyer and Seller agree on the Title Benefit Amount, then that amount shall be the Title Benefit Amount;

(ii) if the Title Benefit represents an increase of (A) Seller's Net Revenue Interest for a Title Benefit Property by more than (B) the Net Revenue Interest set forth for such Title Benefit Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, then the Title Benefit Amount shall be the product of the Allocated Value of such Title Benefit Property *multiplied* by a fraction, the numerator of which is the Net Revenue Interest increase and the denominator of which is the Net Revenue Interest set forth for such Title Benefit Property on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable;

(iii) if the Title Benefit represents a discrepancy where (A) the actual Net Acres for such Title Benefit Property is greater than (B) the Net Acres set forth on *Exhibit A* for such Title Benefit Property, then the Title Benefit Amount shall be the product obtained by *multiplying* such Net Acre increase by the Allocated Value (on a per Net Acre dollar amount basis) for such Title Benefit Property; and

(iv) if the Title Benefit is of a type not described above (including the circumstances where a Title Benefit affects a portion, but not the entirety of any Lease), then the Title Benefit Amounts shall be determined by taking into account the Allocated Value of the Title Benefit Property, the portion of such Title Benefit Property affected by such Title Benefit, the legal effect of the Title Benefit, the potential economic effect of the Title Benefit over the life of such Title Benefit Property, the other applicable methodologies set forth in this *Section 5.3(h)*, if any, the values placed upon the Title Benefit by Buyer and Seller and such other reasonable factors as are necessary to make a proper evaluation.

(i) Title Defect Threshold and Deductible. (i) Subject to the last sentence of *Section 5.3(g)*, in no event shall there be any adjustments to the Purchase Price or other remedies provided by Seller hereunder for any individual Title Defect for which the Title Defect Amount for a Title Defect Property does not exceed $[***] (the "***Individual Title Defect Threshold***"); and (ii) in no event shall there be any adjustment to the Purchase Price or other remedies provided by Seller hereunder for any Title Defect for which the Title Defect Amount for a Title Defect Property exceeds the Individual Title Defect Threshold unless (A) the amount of the sum of (x) the aggregate Title Defect Amounts of all such Title Defect Properties where the Individual Title Defect Threshold is exceeded (but excluding any Title Defect Amounts attributable to Title Defects to the extent cured by Seller on or prior to the Title Defect Cure Deadline) less (y) the aggregate Title Benefit Amount of all Title Benefits, exceeds (B) an amount equal to [***] percent ([***]%) of the unadjusted Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to Closing Date in accordance with *Section 9.14*, an amount equal to [***] percent ([***]%) of the unadjusted Purchase Price less the Allocated Other Working Interest Owner Amount (the "***Title Defect Deductible***"), after which point Buyer shall be entitled to adjustments to the Purchase Price or other applicable remedies available hereunder, but only to the extent that the amount by which the sum of *clause (A)* above exceeds the Title Defect Deductible.

(j) Title Dispute Resolution. Seller and Buyer shall attempt to agree on matters regarding (i) all Title Defects, Title Benefits, Title Defect Amounts and Title Benefit Amounts, and (ii) the adequacy of any curative materials provided by Seller to cure any alleged Title Defect (any disagreements between the Parties as to *clauses (i)* and/or *(ii)*, collectively "***Title Disputes***") prior to the Title Defect Cure Deadline. Subject to, and without limitation of, *Section 10.4* and *Section 11.4* (and the Parties respective rights and remedies with respect thereto), if Seller and Buyer are unable to agree by the Title Defect Cure Deadline, the Title Disputes shall be exclusively and finally resolved pursuant to this *Section 5.3(j)*. There shall be a single arbitrator, who shall be a title attorney with at least 15 years' experience reviewing oil and gas titles involving properties in the State of Texas, as selected by the mutual agreement of Buyer and Seller within 15 days after the Dispute Date (the "***Title Arbitrator***"). If the Parties do not mutually agree upon the Title Arbitrator in accordance with this *Section 5.3(j)*, the Houston, Texas office of the AAA shall appoint the Title Arbitrator under such conditions as the AAA in its sole discretion deems necessary or advisable. The place of arbitration shall be Houston, Texas and the arbitration shall be conducted in accordance with the AAA Rules, to the extent such rules do not conflict with the terms of this *Section 5.3(j)*. Each of Buyer and Seller shall submit to the Title Arbitrator, with a simultaneous copy to the other Party, its proposed resolution of the applicable Title Dispute no later than 10 Business Days after the appointment of the Title Arbitrator pursuant to this *Section 5.3(j)*. The proposed resolution of the applicable Title Dispute shall include the best offer of the submitting Party in a single monetary amount that such Party is willing to pay or accept (as applicable) to settle the applicable Title Dispute. The Title Arbitrator's determination shall be made within 20 days after the end of such ten Business Day period after the submission of the Title Disputes and shall be final and binding upon both Parties, without right of appeal and shall be enforceable against the Parties in a court of competent jurisdiction. Once appointed, the Title Arbitrator shall have no *ex parte* communication with either Party related to Title Disputes. In making his determination, the Title Arbitrator shall make a determination of the Title Disputes submitted based solely on the single written submission of Seller and Buyer (and without any additional or supplemental submittals by any Party, except to the extent the Title Arbitrator requests additional information from either Party), shall be bound by the rules set forth in *Section 5.3(g)* and *Section 5.3(h)* and, subject to the foregoing, may consider such other matters as, in the opinion of the Title Arbitrator, are necessary to make a proper determination. The Title Arbitrator, however, may not award Buyer a greater Title Defect Amount than the Title Defect Amount claimed by Buyer in its applicable Title Defect Notice or a greater Title Benefit Amount than that claimed by Seller in its applicable Title Benefit Notice. The Title Arbitrator shall act as an expert for the limited purpose of determining the specific Title Disputes submitted by either Party, and may not award damages, interest or penalties to either Party with respect to any matter except as otherwise provided in the following sentence. The costs of the Title Arbitrator (and the AAA, if applicable) and the reasonable legal costs and expenses incurred by the Parties in connection with the arbitration shall be borne pro rata between the Parties with each Party being responsible for such costs and expenses to the extent the Title Arbitrator has not selected such Party's position on an aggregate dollar basis with respect to all amounts submitted for resolution by the Title Arbitrator. To the extent the award of the Title Arbitrator with respect to any Title Defect Amount or Title Benefit Amount is not taken into account as an adjustment to the Purchase Price in the Final Settlement Statement, then within 10 days after the date the Title Arbitrator delivers written notice to Buyer and Seller of his award with respect to a Title Dispute, and, subject to *Section 5.3(i)*, the amount, if any, so awarded to a Party shall first be satisfied out of the balance of the Defect Escrow Amount remaining after the application of *Section 3.6(b)* and, then, if applicable, the owing Party shall pay to the owed Party any outstanding awarded amount.

(k) Walk-Right Title Dispute Resolution. In the event a Party notifies the other Party of the intention to terminate this Agreement in accordance with *Section 14.1(f)*, Seller or Buyer may, prior to giving effect to *Section 14.1(f)*, as applicable, elect to submit all Title Disputes to the Title Arbitrator in accordance with the procedures set forth in *Section 5.3(j)*; *provided*, that notwithstanding anything to the contrary in *Section 5.3(j)*, such proceeding shall be solely to determine whether the aggregate adjustments pursuant to *Section 10.4* or *Section 11.4*, as applicable, in respect of any Title Disputes would, when taken together with all other adjustments pursuant to *Section 10.4* or *Section 11.4*, trigger the termination right under *Section 14.1(f)*. For the avoidance of doubt, if Seller or Buyer elect to submit to the Title Arbitrator in accordance with this *Section 5.3(k),* no Party may terminate this Agreement pursuant to *Section 14.1(f)* until final resolution of such arbitration unless the termination right under *Section 14.1(f)* would otherwise apply solely by virtue of any undisputed Title Defect Amounts, together the other aggregate adjustments pursuant to *Section 10.4* or *Section 11.4*, as applicable.

5.4 ***Casualty or Condemnation Loss***.

(a) Notwithstanding anything in this Agreement to the contrary but without limitation of Seller's indemnity obligations hereunder, from and after the Effective Time, if Closing occurs, Buyer shall assume all risk of loss with respect to production of Hydrocarbons through normal depletion (including watering out of any well, collapsed casing or sand infiltration of any well) and the depreciation of Conveyed Interests due to ordinary wear and tear, in each case, with respect to the Conveyed Interests, and Buyer shall not assert such matters as Casualty Losses or Title Defects hereunder.

(b) If, after the Execution Date but prior to the Closing Date, any portion of the Conveyed Interests is damaged or destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain (each, a "***Casualty Loss***"), then Seller shall (i) in the case of any material Casualty Loss, promptly notify Buyer in writing following the occurrence of such Casualty Loss, which notice shall include reasonable detail of the nature of such Casualty Loss and (ii) if the Closing occurs, at the Closing, (A) pay to Buyer all sums received by Seller or any of its Affiliates from any Person with respect to such Casualty Loss and (B) assign, transfer and set over to Buyer, or subrogate Buyer to, all of Seller's and its Affiliates' respective right, title and interest (if any) in and to any insurance claims, unpaid awards and other rights and remedies against or with respect to any Person arising out of, or in connection with, such Casualty Loss. Neither Seller nor any of its Affiliates shall compromise, settle or adjust any amounts payable by reason of, or in connection with, any material Casualty Loss without the prior written consent of Buyer.

(c) If, after the Execution Date, but prior to the Closing Date, all or any portion of any of the Conveyed Interests is taken in condemnation or under right of eminent domain by any Governmental Authority, the affected Conveyed Interests (or portions thereof) shall be excluded from the Conveyed Interests to be conveyed to Buyer at the Closing to the extent of the interest affected by such condemnation or right of eminent domain and the Purchase Price will be reduced by the Allocated Value of such affected Conveyed Interests (or portion thereof).

(d) If in the event that the Parties have failed to agree in good faith by Closing on the Casualty Loss amount, such Casualty Loss amount will be determined by a single independent arbitrator with relevant experience in accordance with the procedures set forth in *Section 5.3(j)* (including with respect to the selection of such arbitrator), *mutatis mutandis*.

5.5 ***Preferential Purchase Rights and Consents to Assign***.

(a) With respect to each Preferential Purchase Right set forth on *Schedule 7.9*, not later than 10 days after the Execution Date, except for those Preferential Purchase Rights set forth on *Schedule 5.5*, which shall be sent within 80 days after the Execution Date (and, with respect to each Preferential Purchase Right that is not set forth on *Schedule 7.9* but is discovered by either Party after the Execution Date and before the Closing Date, not later than 10 days after the discovery thereof (or, if discovered by Buyer, no later than 10 days after Buyer notifies Seller in writing of such Preferential Purchase Rights)), Seller shall (x) send to the holder of each such Preferential Purchase Right a written notice in material compliance with the underlying agreement, Contract, Lease, Permit and/or Law applicable to or otherwise giving rise to such Preferential Purchase Right, requesting a waiver of such Preferential Purchase Right and (y) provide Buyer with a true and complete copy of each such notice promptly after Seller's delivery thereof in accordance with this *Section 5.5(a)*. In the event any delay in Closing results in an additional notice requirement or exercise period under any applicable Preferential Purchase Right, Seller shall be permitted to provide such notice or comply with such exercise period thereunder and shall promptly notify Buyer in writing if it takes any such action. Seller shall use commercially reasonable efforts to obtain waivers of all Preferential Purchase Rights prior to the Scheduled Closing Date; *provided*, *however*, Seller shall not be obligated to expend any monies or undertake any obligations (other than requesting such waivers) in connection with such obtaining waivers of such Preferential Purchase Rights. Seller covenants and agrees that it shall promptly provide written notice to Buyer after becoming aware of any actual or threatened dispute, disagreement or Proceeding affecting or with respect to any Preferential Purchase Right affecting or relating to the transactions contemplated by this Agreement.

(i) If, prior to Closing, any holder of a Preferential Purchase Right notifies Seller that it intends to consummate the purchase of the Conveyed Interests to which its Preferential Purchase Right applies, then (w) the Conveyed Interest(s) (or portion(s) thereof) that are subject to such Preferential Purchase Right shall be excluded from the Conveyed Interests to be assigned to Buyer at Closing (but only to the extent of the portion(s) of such Conveyed Interest(s) affected by such Preferential Purchase Right), (x) such Conveyed Interest(s) (or portion(s) thereof) shall, subject to the remaining provisions of this *Section 5.5(a)(i)*, thereafter constitute Excluded Assets and Other Matters, (y) the Purchase Price shall be reduced at Closing by the Allocated Value of such Conveyed Interest (or portion thereof) so excluded. Seller shall be entitled to all proceeds paid by any Person exercising a Preferential Purchase Right prior to Closing and (z) notwithstanding the foregoing, Seller shall continue to conduct operations in the ordinary course during the period beginning on the Closing Date and ending 180 days thereafter with respect to the applicable Conveyed Interests subject to such Preferential Purchase Rights. If (A) on or before 180 days following the Closing Date, such holder of such Preferential Purchase Right fails to consummate the purchase of the Conveyed Interest (or portion thereof) covered by such Preferential Purchase Right, or (B) such Preferential Purchase Right holder waives in writing such Preferential Purchase Right at any time during the 180-day period following the Closing Date, and, in each case, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to any such Preferential Purchase Right, then (1) Seller shall promptly notify Buyer in writing thereof, (2) Buyer shall purchase, on or before the date that is ten Business Days following receipt of such notice, such Conveyed Interest(s) (or portion(s) thereof) that were so excluded from the Conveyed Interests assigned to Buyer at Closing, under the terms of this Agreement and for a price equal to the amount by which the Purchase Price was reduced at Closing with respect to such excluded Conveyed Interest(s) (or portion(s) thereof) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement) and (3) Seller shall assign to Buyer such Conveyed Interest(s) (or portion(s) thereof) pursuant to an instrument in substantially the same form as the Assignment or Deed, as applicable, and such Conveyed Interest(s) (or portion(s) thereof) shall cease to be Excluded Assets and Other Matters; *provided*, *however*, that notwithstanding anything to the contrary herein, Buyer shall have the right to elect (in its sole discretion) not to purchase or acquire any Conveyed Interests (or portion(s) thereof) that are subject to or affected by a Preferential Purchase Right that is described in *subclause (A)* of this *Section 5.5(a)(i)* if there is an unresolved dispute, disagreement or Proceeding with respect to such Preferential Purchase Right on the date that is 180 days following the Closing Date.

(ii) If (A) a Preferential Purchase Right has been waived in writing by the applicable holder thereof prior to Closing or (B) as of the Closing, the time period for the exercise of any Preferential Purchase Right expires without being exercised or waived in writing by the holder thereof and, in

each case, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to any such Preferential Purchase Right, then, the Conveyed Interests that are subject to such Preferential Purchase Rights shall be sold to Buyer at Closing pursuant to the provisions of this Agreement.

(iii) If, as of the Closing, (A) the time period for exercising any Preferential Purchase Right has not expired without exercise prior to Closing (and such Preferential Purchase Right has not been waived in writing by the holder thereof) or (B) there is any pending or threatened dispute, disagreement or Proceeding with respect to any matter related to any Preferential Purchase Right, then (unless Buyer expressly agrees otherwise in writing) (x) the Conveyed Interest(s) (or portion(s) thereof) subject to any such Preferential Purchase Right shall be excluded from the Conveyed Interests assigned to Buyer at Closing, (y) such Conveyed Interest(s) (or portion(s) thereof) shall, subject to the remaining provisions of this *Section 5.5(a)(iii)*, thereafter constitute Excluded Assets and Other Matters, and (z) the Purchase Price shall be adjusted downward at Closing by the Allocated Value attributable to the affected Conveyed Interests. If, prior to the date that is 180 days following the Closing, such Preferential Purchase Right expires without exercise by the holder thereof (or is otherwise waived in writing by the holder thereof) and, as of such date, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Preferential Purchase Right, then (1) Seller shall promptly notify Buyer in writing thereof, (2) Buyer shall purchase, on or before the date that is ten Business Days following receipt of such notice, such Conveyed Interest(s) (or portion(s) thereof) that were so excluded from the Conveyed Interests assigned to Buyer at Closing, under the terms of this Agreement and for a price equal to the amount by which the Purchase Price was reduced at Closing with respect to such excluded Conveyed Interest(s) (or portion(s) thereof) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement) and (3) Seller shall assign to Buyer such Conveyed Interest(s) (or portion(s) thereof) pursuant to an instrument in substantially the same form as the Assignment and such Conveyed Interest(s) (or portion(s) thereof) shall cease to be Excluded Assets and Other Matters.

(b) With respect to each Consent set forth on *Schedule 7.4* (other than, for purposes of clarity, the Post-Closing Consents or FCC Consents), Seller, not later than 10 days after the Execution Date (and, other than Post-Closing Consents or FCC Consents, with respect to each such Consent that is required to be set forth on *Schedule 7.4* but is not set forth on *Schedule 7.4* and is discovered by either Party after the Execution Date and before the Closing Date), not later than 10 days after the discovery thereof (or, if discovered by Buyer, no later than 10 days after Buyer notifies Seller in writing of such Consent), shall

(i) deliver to the holder of each such Consent a written notice in material compliance with the applicable underlying agreement, Contract, Lease, Permits or Law applicable to or otherwise giving rise to such Consent seeking such holder's consent to the transactions contemplated hereby (or waiver thereof) and

(ii) provide Buyer with a true and complete copy of each such notice promptly after Seller's delivery thereof in accordance with this *Section 5.5(b)*. Seller covenants and agrees that it shall promptly provide written notice to Buyer upon becoming aware of any actual or threatened dispute, disagreement or Proceeding affecting or related to any Consent.

(iii) If, as of the Closing, (A) Seller fails to obtain any Required Consent (or waiver in writing by the holder thereof) set forth in *Schedule 7.4* or any Required Consent (or waiver in writing by the holder thereof) that is required to be set forth on *Schedule 7.4* but is not set forth on *Schedule 7.4* and is discovered by either Party after the Execution Date and before the Closing Date or (B) there is any pending or threatened dispute, disagreement or Proceeding with respect to any matter related to any Required Consent, then, in each case (unless Buyer, in its sole discretion, elects to expressly waive such consent in writing), (1) the Conveyed Interest(s) (or portion(s) thereof) that are subject to any such Required Consent shall be excluded from the Conveyed Interests to be assigned to Buyer at Closing, (2) such Conveyed Interest(s) (or portion(s) thereof) shall, subject to the remaining provisions of this *Section 5.5(b)(i)*, thereafter constitute Excluded Assets and Other Matters and (3) the Purchase Price shall be reduced at Closing by the Allocated Value of such Conveyed Interest(s) (or portion(s) thereof). In the event that (x) any such Required Consent (or a waiver in writing by the holder thereof) is obtained prior to the date that is 180 days following Closing and (y) as of such date, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Required Consent, then, (a) Seller shall deliver written notice thereof to Buyer and (b) on the date that is ten Business Days after such notice is delivered to Buyer (i) Buyer shall purchase the Conveyed Interest(s) (or portion(s) thereof) that were so excluded as a result of such un-obtained and/or disputed Required Consent and pay to Seller the amount by which the Purchase Price was reduced at Closing with respect to such Conveyed Interest(s) (or portion(s) thereof) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement) and (ii) Seller shall assign to Buyer such Conveyed Interest(s) (or portion(s) thereof) pursuant to an instrument in substantially the same form as the Assignment and such Conveyed Interest(s) (or portion(s) thereof) shall cease to be Excluded Assets and Other Matters. Notwithstanding the foregoing sentence, Buyer shall have the right, but not the obligation, to waive any Required Consent (in Buyer's sole discretion) by delivering written notice to Seller. If such a waiver is delivered to Seller and, at such time, the Closing has occurred, then Seller shall promptly assign to Buyer the Conveyed Interest(s) subject to any such waived Required Consent, and Buyer shall pay to Seller an amount equal to the amount by which the Purchase Price was reduced at Closing with respect to such Conveyed Interest(s) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement), and Buyer shall thereafter have no claim against Seller in connection with Seller's failure to obtain such Required Consent (or a waiver in writing by the holder thereof) and shall release and indemnify the Seller Indemnified Parties from any Liability to the extent arising from the failure to obtain such Required Consent (or a waiver in writing by the holder thereof).

(iv) If, as of the Closing, (A) Seller fails to obtain any Medium Consent (or waiver in writing by the holder thereof) set forth in *Schedule 7.4* or any Medium Consent (or waiver in writing by the holder thereof) that is required to be set forth on *Schedule 7.4* but is not set forth on *Schedule 7.4* and is discovered by either Party after the Execution Date and before the Closing Date or (B) there is any pending or threatened dispute, disagreement or Proceeding with respect to any matter related to any Medium Consent, then, in each case (unless Buyer, in its sole discretion, elects to expressly waive such consent in writing), (1) the Conveyed Interest(s) (or portion(s) thereof) that are subject to any such Medium Consent shall be excluded from the Conveyed Interests to be assigned to Buyer at Closing, (2) such Conveyed Interest(s) (or portion(s) thereof) shall, subject to the remaining provisions of this *Section 5.5(b)(ii)*, thereafter constitute Excluded Assets and Other Matters and (3) the Purchase Price shall be reduced at Closing by the Allocated Value of such Conveyed Interest(s) (or portion(s) thereof). If, as of the date that is 180 days following the Closing, (x) any such Medium Consent (or a waiver in writing by the holder thereof) is obtained or (y) as of such date, any such Medium Consent is not obtained (or a waiver in writing by the holder thereof is not obtained) and (A) there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Medium Consent and (B) such Medium Consent is not denied in writing by the holder thereof, then, (a) Seller shall deliver written notice thereof to Buyer and (b) on the date that is ten Business Days after such notice is delivered to Buyer (i) Buyer shall purchase the Conveyed Interest(s) (or portion(s) thereof) that were so excluded as a result of such previously un-obtained and/or disputed Medium Consent and pay to Seller the amount by which the Purchase Price was reduced at Closing with respect to such Conveyed Interest(s) (or portion(s) thereof) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement) and (ii) Seller shall assign to

Buyer such Conveyed Interest(s) (or portion(s) thereof) pursuant to an instrument in substantially the same form as the Assignment or Deed, as applicable, and such Conveyed Interest(s) (or portion(s) thereof) shall cease to be Excluded Assets and Other Matters. Notwithstanding the foregoing sentence, Buyer shall have the right, but not the obligation, to waive any Medium Consent (in Buyer's sole discretion) by delivering written notice to Seller. If such a waiver is delivered to Seller and, at such time, the Closing has occurred, then Seller shall promptly assign to Buyer the Conveyed Interest(s) subject to any such waived Medium Consent, and Buyer shall pay to Seller an amount equal to the amount by which the Purchase Price was reduced at Closing with respect to such Conveyed Interest(s) (as such amount is appropriately adjusted in accordance with the other terms of this Agreement), and Buyer shall thereafter have no claim against Seller in connection with Seller's failure to obtain such Medium Consent (or a waiver in writing by the holder thereof) and shall release and indemnify the Seller Indemnified Parties from any Liability to the extent arising from the failure to obtain such Medium Consent (or a waiver in writing by the holder thereof).

(v) Prior to Closing, other than Post-Closing Consents (and subject to and except as otherwise provided in *Section 9.3*), and, with respect to any Medium Consents or Required Consents that are excluded at Closing pursuant to this *Section 5.5*, for a period of 180 days after Closing, Seller and Buyer shall use their respective commercially reasonable efforts to obtain all Consents listed on *Schedule 7.4* (and any Consent that is not set forth on *Schedule 7.4* but is discovered by either Party after the Execution Date and before the Closing Date); *provided*, *however*, that neither Party shall be required to expend any monies or undertake any obligations (other than requesting such Consents) in order to obtain any such Consent (other than any ordinary course transfer fees expressly set forth in the underlying instrument, which transfer fees are described on *Schedule 5.5(b)(iii)* (which shall be borne by Buyer)). Subject to the foregoing, Buyer agrees to cooperate in good faith with Seller to provide Seller with any information or documentation that may be reasonably requested in writing by Seller and/or the Third Party holder(s) of such Consents in order to facilitate the process of obtaining such Consents, if, and to the extent, such requested information or documentation is in Buyer's or any of its Affiliates' possession or control and is not subject to any confidentiality and/or non-disclosure restrictions prohibiting or restricting Buyer's disclosure thereof.

(vi) Other than Post-Closing Consents, Required Consents, Medium Consents or the FCC Consents, if Seller fails to obtain a Consent, and as of such date, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Consent and such Consent has not been denied in writing, then the Conveyed Interest(s) (or portion(s) thereof) subject to such un-obtained Consent shall nevertheless be assigned by Seller to Buyer at Closing as part of the Conveyed Interests and Buyer shall have no claim against Seller and hereby releases and indemnifies the Seller Indemnified Parties from any Liability to the extent arising from the failure to obtain such Consent.

(c) With respect to any Post-Closing Consents or any post-Closing notice or other similar requirements applicable to the transfer of the Conveyed Interests in connection with the transactions contemplated hereby ("***Buyer Consent/Notice Requirements***"), (i) Buyer shall use commercially reasonable efforts to comply with such Buyer Consent/Notice Requirements, (ii) Buyer shall have no claim against, and hereby releases and indemnifies the Seller Indemnified Parties from any Liability to the extent relating to compliance with such Buyer Consent/Notice Requirements, (iii) Buyer assumes and shall be solely responsible from and after Closing for any Liabilities arising from the failure to comply with or to have obtained any such Buyer Consent/Notice Requirements and (iv) Seller shall cooperate in good faith with Buyer in connection with any such Buyer Consent/Notice Requirements.

(d) The provisions of this *Section 5.5* shall apply *mutatis mutandis* to the applicable Affiliate of Seller (versus Seller) in the case of any of the Conveyed Interests are owned by such Affiliate of Seller; provided, however, that, notwithstanding the foregoing, Seller shall (i) cause such Affiliates to comply with and fulfill any and all such applicable obligations set forth in this *Section 5.5* and (ii) remain liable and responsible for all purposes of this Agreement for any such Affiliate's failure to comply with and fulfill any such obligations set forth in this *Section 5.5*.

ARTICLE VI
ENVIRONMENTAL MATTERS

6.1 ***Environmental Defects***.

(a) Assertions of Environmental Defects. As a condition to Buyer asserting any claim with respect to any alleged Environmental Defect, Buyer must deliver claim notices to Seller meeting the requirements of this *Section 6.1(a)* (collectively the "***Environmental Defect Notices***" and individually an "***Environmental Defect Notice***") not later than the Environmental Defect Claim Date setting forth any matters which, in Buyer's reasonable opinion, constitute Environmental Defects and which Buyer intends to assert as Environmental Defects pursuant to this *Section 6.1*. Subject to, and without limitation of, *clause (vi)* of *Schedule 13.1(b)* and Seller's representations and warranties set forth in *Section 7.18* (and, in each case, Seller's indemnity obligations related thereto), for all other purposes of this Agreement, Buyer shall be deemed to have waived, and Seller shall have no Liability for, (i) any Environmental Defect which Buyer fails to assert as an Environmental Defect by a timely and properly delivered Environmental Defect Notice received by Seller before the Environmental Defect Claim Date and (ii) any Environmental Condition that is not an Environmental Defect, with such liabilities becoming "***Buyer's Environmental Liabilities.***" To be effective, each Environmental Defect Notice shall be in writing and shall include (A) a description of the matter constituting the alleged Environmental Defect (including the applicable Environmental Law violated or implicated thereby, if any) and the Conveyed Interest(s) affected by such alleged Environmental Defect (each, an "***Environmental Defect Property***"), (B) the Allocated Value of each Environmental Defect Property (or portions thereof) affected by such alleged Environmental Defect, as applicable (*provided* nothing herein shall prevent Buyer from asserting an Environmental Defect for a Conveyed Interest where the Allocated Value is zero), (C) supporting documents reasonably necessary for Seller to identify the existence of such alleged Environmental Defect (any and all of which supporting documents may be furnished via access to a web link or ftp site (in lieu of other means of delivery)), and (D) a calculation of the Remediation Amount (itemized in reasonable detail) that Buyer asserts is attributable to such alleged Environmental Defect with respect to each Environmental Defect Property. Notwithstanding anything to the contrary in this Agreement, the failure of an Environmental Defect Notice to include any of the information or documentation identified or described in *Section 6.1(a)(A)* through *Section 6.1(a)(D)* above shall not render such Environmental Defect Notice void or ineffective if such Environmental Defect Notice otherwise materially complies with the requirements set forth in this *Section 6.1(a)* and provides Seller with sufficient information to evaluate the alleged Environmental Defect. Buyer's calculation of the Remediation Amount included in the Environmental Defect Notice must describe in reasonable detail the Remediation proposed for the alleged Environmental Defect that gives rise to the asserted Environmental Defect and identify

all assumptions used by Buyer in calculating the Remediation Amount, including the standards that Buyer asserts must be met to comply with Environmental Laws.

(b) Seller's Right to Cure. Seller shall have the right, but not the obligation, to cure any asserted Environmental Defect on or before the Closing Date (the "***Environmental Defect Cure Deadline***"). To give Seller an opportunity to commence reviewing and curing Environmental Defects, Buyer agrees to use reasonable efforts to give Seller written notice of all alleged Environmental Defects discovered by Buyer as soon as practical under the circumstance, which notice may be preliminary in nature and supplemented prior to the Environmental Defect Claim Date; *provided* that the failure to deliver such preliminary notice shall not affect Buyer's right to submit an Environmental Defect Notice with respect to such Environmental Defects. An election by Seller to attempt to cure an Environmental Defect shall be without prejudice to its other rights under this *Section 6.1* and shall not constitute an admission against interest or a waiver of Seller's right to dispute the existence, nature or value of, or cost to Remediate, the alleged Environmental Defect. Seller shall be entitled to provide Buyer notice of Seller's election to cure any Environmental Defect no later than 5 Business Days after the Environmental Defect Claim Date, and the failure to provide notice by such date shall be deemed an election not to cure (or to attempt to cure) by Seller.

(c) Remedies for Environmental Defects. Subject to Seller's right to dispute the existence of an Environmental Defect in accordance with *Section 6.1(f)* and/or the Remediation Amount asserted with respect thereto, and subject to the limitations in *Section 6.1(e)* and the rights of the Parties pursuant to *Section 14.1(f)*, in the event that Seller has not cured an Environmental Defect that has been timely and properly asserted by Buyer in accordance with *Section 6.1(a)* by the expiration of the Environmental Defect Cure Deadline and such Environmental Defect has not been waived by Buyer, Seller shall elect to:

(i) reduce the Purchase Price or Final Price, as applicable, by the applicable Remediation Amount; or

(ii) retain the entirety of the applicable Environmental Defect Property, in which event the Purchase Price shall be reduced by an amount equal to the Allocated Value of such Environmental Defect Property, provided the remedy set forth in this *Section 6.1(c)(ii)* shall only be available, if the Remediation Amount applicable to such Environmental Defect equals or exceeds the greater of (A) seventy-five percent (75%) of the Allocated Value of the applicable Environmental Defect Property and (B) $750,000, and, in each case of an Environmental Defect Property that is not a Lease or Well, the applicable Environmental Defect Property would not be, as determined by Buyer in good faith, material with respect to the use, value or operation of the Conveyed Interests related to and including such Environmental Defect Property, taken as a whole, from and after the Closing; *provided* that Buyer shall have the right to elect the remedy set forth in this *Section 6.1(c)(ii)* if such remedy is available but is not elected by Seller. In connection with the remedy set forth in this *Section 6.1(c)(ii)*, Seller acknowledges and agrees that (y) it shall retain all Liabilities and obligations of any kind related or applicable to any such Environmental Defect Property (including, for purposes of clarity, with respect to the Environmental Defect(s) applicable thereto) and (z) such Environmental Defect Property shall thereafter constitute an Excluded Asset and Other Matters for all purposes of this Agreement.

In the event that, as of the Closing Date, there are Environmental Defects with respect to which (A) Seller has not elected to Remediate pursuant to *Section 6.1(b)* or failed to Remediate all or part thereof prior to the Environmental Defect Cure Deadline and (B) Seller has not disputed the alleged Environmental Defect or the alleged Remediation Amount, the Purchase Price shall be reduced at Closing by the aggregate Remediation Amount of such Environmental Defects (or, the Allocated Value of the applicable Environmental Defect Property in the event Seller has retained such Environmental Defect Property pursuant to this *Section 6.1(c)(ii)*), subject to the limitations in *Section 6.1(e)*. If Seller and Buyer are unable to agree on the existence or scope of any Environmental Defect or the Remediation Amount at the Closing, Buyer's good faith determination with respect to such Environmental Defect or Remediation Amount shall be utilized for purposes of determining the Defect Escrow Amount at the Closing. If the Purchase Price is reduced for any Environmental Defect pursuant to this *Section 6.1* or if the Purchase Price would have been reduced for any Environmental Defect but for the application of the Individual Environmental Threshold or the Environmental Defect Deductible, Buyer shall be deemed to have assumed responsibility for such Environmental Defect and for all Liabilities with respect thereto and Buyer's obligations with respect to the foregoing shall be deemed to constitute Assumed Obligations. Subject to and without limitation of, *clause (vi)* of *Schedule 13.1(b)* and Seller's representations and warranties set forth in *Section 7.1*8 (and, in each case, Seller's indemnity obligations related thereto) and Buyer's rights to terminate this Agreement pursuant to *Section 14.1(f)*, Buyer shall also be deemed to have assumed responsibility for any and all Environmental Conditions which do not constitute an Environmental Defect under this Agreement and for all Liabilities with respect thereto and Buyer's obligations with respect to the foregoing shall be deemed to constitute Assumed Obligations.

(d) Exclusive Remedy. Subject to and without limitation of, *clause (vi)* of *Schedule 13.1(b)* and Seller's representations and warranties set forth in *Section 7.18* (and, in each case, Seller's indemnity obligations related thereto) and Buyer's rights to terminate this Agreement pursuant to *Section 14.1(f)* or under *Article XIII* solely with respect to *clauses (vi)* and *(viii)* of *Schedule 13.1(b)*, to any Environmental Condition with respect to any Conveyed Interest or other environmental matter. With respect to all Non-Cost Bearing Interests, (i) there shall be deemed to be no Environmental Defect and (ii) Buyer shall not be entitled to assert Environmental Defects with respect to such interests.

(e) Environmental Threshold and Deductible. (i) Subject to the last sentence of this *Section 6.1(e)*, in no event shall there be any adjustment to the Purchase Price or other remedies provided by Seller for any individual Environmental Defect for which the Remediation Amount (net to Seller's interests) for an Environmental Defect Property does not exceed $[***] (the "***Individual Environmental Threshold***"); and (ii) in no event shall there be any adjustment to the Purchase Price or other remedies provided by Seller for any Environmental Defect for which the Remediation Amount for an Environmental Defect Property exceeds the Individual Environmental Threshold unless (A) the amount of the sum of the aggregate Remediation Amounts of all such Environmental Defect Properties where the Individual Environmental Threshold is exceeded (but excluding any Remediation Amounts attributable to any Environmental Defects to the extent cured by Seller prior to the Environmental Defect Cure Deadline and any Conveyed Interests subject to Environmental Defects that are retained by Seller, pursuant to *Section 6.1(c)(ii)*) exceeds (B) an amount equal to [***] percent ([***]%) of the unadjusted Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, the amount equal to [***] percent ([***]%) of the unadjusted Purchase Price less the Allocated Other Working Interest Owner Amount (the "***Environmental Defect Deductible***"), after which point Buyer shall be entitled to adjustments to the Purchase Price or other applicable remedies available hereunder, but only to the extent that the amount

by which the sum of *clause (A)* above exceeds the Environmental Defect Deductible. If an individual Environmental Defect affects more than one Environmental Defect Property, the Remediation Amounts for each such Environmental Defect Property shall be aggregated for purposes of determining whether the Remediation Amounts of any such Environmental Defects in the aggregate exceed the Individual Environmental Threshold. For the avoidance of doubt, if an Environmental Defect is of a similar type or circumstance as another Environmental Defect (e.g., Environmental Defects related to separate air permits), such Environmental Defects shall not be aggregated for purposes of determining the Individual Environmental Threshold.

(f) Environmental Dispute Resolution. Seller and Buyer shall attempt to agree on (i) all Environmental Defects and Remediation Amounts prior to the Environmental Defect Cure Deadline and (ii) the adequacy of any cure by Seller of any asserted Environmental Defect prior to the Environmental Defect Cure Deadline (any disagreements between the Parties as to items (i) and/or (ii), collectively, the "***Disputed Environmental Matters***"). If Seller and Buyer are unable to agree by the Environmental Defect Cure Deadline, the Disputed Environmental Matters shall be exclusively and finally resolved by arbitration pursuant to this *Section 6.1(f)*. There shall be a single arbitrator, who shall be an environmental attorney with at least 15 years' experience pertaining to environmental matters involving oil and gas producing properties in the State of Texas, as selected by the mutual agreement of Buyer and Seller within 15 days after the Dispute Date (the "***Environmental Arbitrator***"). If the Parties do not mutually agree upon the Environmental Arbitrator in accordance with this *Section 6.1(f)*, the Houston, Texas office of the AAA shall appoint such Environmental Arbitrator under such conditions as the AAA in its sole discretion deems necessary or advisable. The place of arbitration shall be Houston, Texas, and the arbitration shall be conducted in accordance with the AAA Rules, to the extent such rules do not conflict with the terms of this *Section 6.1(f)*. Each of Buyer and Seller shall submit to the Environmental Arbitrator, with a simultaneous copy to the other Party, a single written statement of its position on the Disputed Environmental Matters in question, together with a copy of this Agreement and any supporting material that such Party desires to furnish, not later than the tenth Business Day after appointment of the Environmental Arbitrator. The Environmental Arbitrator's determination shall be made within 20 days after the end of such ten Business Day period after the submission of the Disputed Environmental Matters and shall be final and binding upon both Parties, without right of appeal and shall be enforceable against the Parties in a court of competent jurisdiction. Once appointed, the Environmental Arbitrator shall have no *ex parte* communication with either Party related to Disputed Environmental Matters. In making his determination, the Environmental Arbitrator shall make a determination of the Disputed Environmental Matters submitted based solely on the single written submission of Seller and Buyer (and without any additional or supplemental submittals by any Party, except to the extent the Environmental Arbitrator requests additional information from either Party), shall be bound by the rules set forth in this *Section 6.1* and, subject to the foregoing, may consider such other legal and industry matters as in the opinion of the Environmental Arbitrator are necessary or helpful to make a proper determination. The Environmental Arbitrator, however, may not award Buyer a greater Remediation Amount than the Remediation Amount claimed by Buyer in its applicable Environmental Defect Notice. The Environmental Arbitrator shall act as an expert for the limited purpose of determining specific Disputed Environmental Matters submitted by either Party and may not award damages, interest or penalties to either Party with respect to any matter, except as otherwise provided in the following sentence. The costs of the Environmental Arbitrator (and the AAA, if applicable) and the reasonable legal costs and expenses incurred by the Parties in connection with the arbitration shall be borne pro rata between the Parties with each Party being responsible for such costs and expenses to the extent the Environmental Arbitrator has not selected such Party's position on an aggregate dollar basis with respect to all amounts submitted for resolution by the Environmental Arbitrator. To the extent that the award of the Environmental Arbitrator with respect to any Remediation Amount is not taken into account as an adjustment to the Purchase Price in the Final Settlement Statement, then within ten days after the date the Environmental Arbitrator delivers written notice to Buyer and Seller of his award with respect to any Remediation Amount, and, subject to *Section 6.1(e)*, the amount, if any, so awarded to a Party shall first, be satisfied out of the balance of the Defect Escrow Amount remaining after application of *Section 3.6(b)* and, then, if applicable, the owing Party shall pay to the owed Party any outstanding awarded amounts. Notwithstanding anything herein to the contrary, if there is any dispute as to an Environmental Defect that affects whether either Party may elect to exclude the Environmental Defect Property pursuant to *Section 6.1(c)(ii)* with respect to an Environmental Defect, then the applicable Environmental Defect Property shall be excluded from the Conveyed Interests assigned at Closing and the Allocated Value of such Environmental Defect Property shall be paid into the Escrow Account at Closing. If the Environmental Arbitrator determines that such Party does not have the right to elect to exclude the Environmental Defect Property pursuant to *Section 6.1(c)(ii)* with respect to an Environmental Defect, then within ten days after the date on which the Environmental Arbitrator delivers written notice to Buyer and Seller of such determination, (A) Seller shall assign to Buyer the retained Environmental Defect Property pursuant to an instrument in substantially the same form as the Assignment and (B) the Allocated Value less the determined Remediation Amount, if any, shall first, be paid to Seller out of the balance of the Defect Escrow Amount remaining after the application of *Section 3.6(b)* and, then, if applicable, by Buyer.

(g) Walk-Right Environmental Dispute Resolution. In the event a Party notifies the other Party of the intention to terminate this Agreement in accordance with *Section 14.1(f)*, Seller or Buyer may, prior to giving effect to *Section 14.1(f)*, as applicable, elect to submit all Disputed Environmental Matters to the Environmental Arbitrator in accordance with the procedures set forth in *Section 6.1(f)*; *provided*, that notwithstanding anything to the contrary in *Section 6.1(f)*, such proceeding shall be solely to determine whether the aggregate adjustments pursuant to *Section 10.4* or *Section 11.4*, as applicable, in respect of any Disputed Environmental Matters would, when taken together with all other adjustments pursuant to *Section 10.4* or *Section 11.4*, trigger the termination right under *Section 14.1(f)*. For the avoidance of doubt, if Seller or Buyer elect to submit to the Environmental Arbitrator in accordance with this *Section 6.1(g),* no Party may terminate this Agreement pursuant to *Section 14.1(f)* until final resolution of such arbitration unless the termination right under *Section 14.1(f)* would otherwise apply solely by virtue of any undisputed Remediation Amounts, together the other aggregate adjustments pursuant to *Section 10.4* or *Section 11.4*, as applicable.

6.2 ***NORM, Asbestos, Wastes and Other Substances***. Buyer acknowledges that the Conveyed Interests have been used for exploration, development, and production of oil and gas and that there may be petroleum, produced water, wastes, or other substances or materials located in, on or under the Conveyed Interests or associated with the Conveyed Interests. Equipment and sites included in the Conveyed Interests may contain asbestos, NORM or other Hazardous Substances. NORM may affix or attach itself to the inside of wells, materials, and equipment as scale, or in other forms. The wells, materials, and equipment located on the Conveyed Interests or included in the Conveyed Interests may contain asbestos, NORM and other wastes or Hazardous Substances. NORM containing material and/or other wastes or Hazardous Substances may have come in contact with various environmental media, including water, soils or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of any affected environmental media, wastes, asbestos, NORM and other Hazardous Substances from the Conveyed Interests. Notwithstanding anything in this Agreement to the contrary, Buyer shall not be permitted to claim any Environmental Defect on the account of the presence of NORM or asbestos-containing materials that are

non-friable, unless and only to the extent such presence of NORM or asbestos-containing materials that are non-friable constitutes an Environmental Condition resulting in a violation of Environmental Laws.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants (and with respect to any Subject Property that is not operated by Seller, Seller represents and warrants to Seller's Knowledge) to Buyer, (a) with respect to all Conveyed Interests other than the Other Working Interest Owner Interests, as of the Execution Date and the Closing Date, and (b) with respect to the Other Working Interest Owner Interests if acquired by Seller prior to the Closing Date, as of the Other Working Interest Owner Acquisition Date and the Closing Date, in each case of (a) and (b), as follows:

7.1 ***Organization, Existence and Qualification***. Seller is a limited partnership duly formed and validly existing under the Laws of the State of Oklahoma. Seller, and each of Seller's Affiliates holding or owning any of the Conveyed Interests, has all requisite power and authority to own and operate its property (including the Conveyed Interests) and to carry on its business as now conducted. Seller is duly licensed or qualified to do business as a foreign limited partnership in all jurisdictions in which it carries on business or owns assets and such qualification is required by Law.

7.2 ***Authorization, Approval and Enforceability***. Seller and any of its Affiliates has full power and authority to enter into and perform this Agreement and the Transaction Documents to which it is a party and the transactions contemplated herein and therein. The execution, delivery, and performance by Seller and any of its Affiliates holding or owning any interest in the Conveyed Interests of this Agreement and each other Transaction Document to which it is a party have been duly and validly authorized and approved by all necessary limited partnership action on the part of Seller or its Affiliates, as applicable. Assuming the due authorization, execution and delivery by the other parties to such documents, this Agreement is, and the Transaction Documents to which Seller and its Affiliates is a party when executed and delivered by Seller and its Affiliates will be, the valid and binding obligations of Seller and its Affiliates and enforceable against Seller and its Affiliates in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 ***No Conflicts***. Assuming the receipt of all Regulatory Approvals and Consents and the waiver of, or compliance with, all Preferential Purchase Rights applicable to the transactions contemplated hereby, the execution, delivery, and performance by Seller and its Affiliates of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated herein and therein will not (a) conflict with or result in a breach of any provisions of the organizational documents of Seller or each of Seller's Affiliates holding or owning any of the Conveyed Interests, (b) except for Permitted Encumbrances, result in a default, breach or violation or the creation of any Encumbrance or give rise to any right of termination, cancellation, or acceleration under any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, or other Applicable Contract to which Seller, and each of Seller's Affiliates holding or owning any of the Conveyed Interests, is a party or by which Seller or any of Seller's Affiliates holding or owning any of the Conveyed Interests may be bound or (c) violate any Law applicable to Seller, each of Seller's Affiliates holding or owning any of the Conveyed Interests, except in the case of *clauses (b)* and *(c)* where such default, breach, violation, Encumbrance, termination, cancellation, acceleration or violation would not be reasonably expected to have a Material Adverse Effect.

7.4 ***Consents***. There are no restrictions to assignment, including requirements for consents from Third Parties to any assignment (in each case), that Seller, or any of Seller's Affiliates holding or owning any of the Conveyed Interests, is required to obtain in connection with the transfer of the Conveyed Interests by Seller, and each of Seller's Affiliates holding or owning any of the Conveyed Interests, to Buyer or the consummation of the transactions contemplated by this Agreement by Seller and any of its Affiliates holding or owning any of the Conveyed Interests (each, a "***Consent***"), except (a) as set forth in *Schedule 7.4*, (b) for Post-Closing Consents, (c) for any Preferential Purchase Rights applicable to the transactions contemplated by this Agreement which are set forth on *Schedule 7.9*, (d) any notice to be given after consummation of the transactions contemplated hereby and (e) for any Regulatory Approvals. *Schedule 7.4* includes a complete and correct list of all Consents (other than Post-Closing Consents, Preferential Purchase Rights, notices to be given after consummation of the transactions contemplated hereby and any Regulatory Approvals) relating to the Conveyed Interests and/or the consummation of the transactions contemplated by this Agreement.

7.5 ***Bankruptcy***. There are no bankruptcy, reorganization, insolvency or receivership proceedings pending, being contemplated by or, to Seller's Knowledge, threatened in writing against Seller or any of its respective Affiliates.

7.6 ***Litigation***. Except as set forth in *Schedule 7.6* or *Schedule 9.11* (such litigation matters, the "***Scheduled Litigation***"), as of the Execution Date (a) there is no suit, litigation, arbitration or Proceeding by any Third Party or before any Governmental Authority (i) pending against Seller (with respect to the Conveyed Interests) or any of Seller's Affiliates holding or owning any of the Conveyed Interests (with respect to the Conveyed Interests) of which Seller or any of its Affiliates has received service or written notice or (ii) to Seller's Knowledge, threatened in writing against Seller (with respect to the Conveyed Interests) or any of Seller's Affiliates holding or owning any of the Conveyed Interests (with respect to the Conveyed Interests) that, in either instance, is applicable to or otherwise binding upon the Conveyed Interests, (b) none of Seller or any of its Affiliates is subject to any outstanding Order with respect to the ownership, operation, use and/or development of any of the Conveyed Interests or the performance of this Agreement or any Transaction Document and (c) to Seller's Knowledge, none of the Conveyed Interests (including, for purposes of clarity, with respect to the ownership, operation, use and/or development thereof) is subject to or otherwise burdened by any outstanding Order. This *Section 7.6* does not include any matters with respect to Taxes, which shall be exclusively addressed in *Section 7.12*.

7.7 ***Material Contracts***.

(a) *Schedule 7.7* sets forth, as of the Execution Date, a true, complete and accurate list of all Applicable Contracts of the type described below (such Applicable Contracts, collectively, the "***Material Contracts***"):

(i) any Applicable Contract that can reasonably be expected to result in aggregate payments by Seller, or any of Seller's Affiliates holding or owning any of the Conveyed Interests, of more than $100,000 during the remainder of the current or any subsequent fiscal year (based solely on the terms thereof and current volumes, without regard to any expected increase in volumes or revenues);

(ii) any Applicable Contract that can reasonably be expected to result in aggregate revenues to Seller, or any of Seller's Affiliates holding or owning any of the Conveyed Interests, of more than $100,000 during the remainder of the current or any subsequent fiscal year (based solely on the terms thereof and current volumes, without regard to any expected increase in volumes or revenues);

(iii) any Hydrocarbon purchase and sale, transportation, gathering, treating, processing or similar Applicable Contract that is not terminable without penalty on 30 days' or less notice;

(iv) any indenture, mortgage, loan, credit lien, sale-leaseback or similar Applicable Contract affecting any of the Conveyed Interests which will not be released on or prior to the Closing;

(v) any Applicable Contract that constitutes a lease under which Seller, or any of Seller's Affiliates holding or owning any of the Conveyed Interests, is the lessor or the lessee of real or personal property which lease (A) cannot be terminated by Seller without penalty upon 60 days' or less notice and (B) involves (y) an annual base rental of more than $50,000 or (z) the payment of more than $150,000 in the aggregate for related services to any contract counterparty;

(vi) any Applicable Contract between Seller, on the one hand, and any Affiliate of Seller, on the other hand, which will be binding on or otherwise burden Buyer or any of the Conveyed Interests after the Closing Date;

(vii) any Applicable Contract that constitutes or contains a farmout or farmin agreement, partnership agreement, area of mutual interest agreement (or similar provision with respect to the Conveyed Interests), non-compete agreement, exploration agreement, participation agreement, development agreement, unit operating agreement, joint operating agreement, joint venture agreement, acreage trade, exchange or contribution agreement, drilling contract, carry agreement, net profits interest agreement, purchase and sale agreement, production sharing agreement, unit agreement, or any other similar Applicable Contract, in each case, where any material obligation thereof have not been fully performed and will be binding upon Buyer and/or the Conveyed Interests after the Effective Time;

(viii) any salt water disposal, gathering, processing, transportation or other similar Applicable Contract;

(ix) any Applicable Contract containing "tag-along" or "drag-along" rights, preferential rights or other similar rights of, or applicable to, any Person, including, without limitation, any "change of control" or other similar provision to the extent relating to the Water Disposal JV Interests;

(x) any Applicable Contract to sell, lease, farmout, exchange, transfer or otherwise dispose of all or any portion of any of the Conveyed Interests (other than with respect to the production of Hydrocarbons in the ordinary course) from and after the Effective Time, but excluding rights of reassignment upon the intent to abandon any Conveyed Interest;

(xi) Any Applicable Contract that provides for a call upon, option to purchase or similar right with respect to the Conveyed Interests;

(xii) Any Applicable Contract with any express drilling or development obligations on the part of Seller or any of its Affiliates to the extent such obligation has not been fulfilled;

(xiii) Any Applicable Contract that contains provisions (a) requiring Seller or any of its Affiliates to exclusively deal with or purchase its total requirements or a minimum amount of any product or service from a Third Party, (b) requiring Seller or any of its Affiliates to be the exclusive provider of any product or service to any Third Party, (c) requiring one party to extend to the other party terms that have been granted to a third party that are more favorable than those under that agreement or (d) containing non-compete obligations; and

(xiv) Any Applicable Contract where the primary purpose thereof was to indemnify another Person to the extent such obligation has not been fulfilled.

(b) Except as set forth in *Schedule 7.7-(i)*, there exists no material breach, violation or default under any Material Contract by Seller or its Affiliates or, to Seller's Knowledge, as of the Execution Date, by any other Person that is a party to such Material Contract, and no event has occurred that with notice or lapse of time or both would constitute any breach, violation or default under any such Material Contract by Seller, any of Seller's Affiliates, or, to Seller's Knowledge, as of the Execution Date, any other Person who is a party to such Material Contract, and, as of the Execution Date, none of Seller or any of Seller's Affiliates has given or received any unresolved written notice of any actual, potential or threatened termination, cancellation, breach, violation or default with respect to any Material Contract.

(c) Except as set forth in *Schedule 7.7-(ii)*, to Seller's Knowledge (i) there exists no material default under any other Applicable Contract by Seller, its Affiliates or, as of the Execution Date, any other Person that is a party to such other Applicable Contract, (ii) no event has occurred that with notice or lapse of time or both would constitute any default under any such other Applicable Contract by Seller, any of Seller's Affiliates or, as of the Execution Date, any other Person who is a party to such other Applicable Contract and (iii) as of the Execution Date, none of Seller or any of Seller's Affiliates has given or received any unresolved written notice of any actual, potential or threatened termination, cancellation or default with respect to any other Applicable Contract.

(d) As of the Execution Date, none of Seller or any of its Affiliates has received any written notice disputing Seller's or any of its Affiliates'

legal right of access with respect to any Property that remains unresolved or outstanding. Except as set forth on *Exhibits A*, *G-1*, *G-2*, or *G-3* or *Schedule 7.7(d)*, to Seller's Knowledge, no Property is subject to any restriction on use of the surface in connection with Hydrocarbon operations that would materially and adversely affect such use or operations as currently used and operated.

(e) As of the Execution Date, Seller has delivered or made available to Buyer true and complete copies of each Material Contract and any and all amendments, modifications and supplements thereto.

7.8 ***No Violation of Laws***. Except as set forth in *Schedule 7.8*, neither Seller nor Seller's Affiliates holding or owning any of the Conveyed Interests has received any unresolved written notice that it is in violation in any material respect of applicable Laws with respect to the ownership, operation, use and/or development of any of the Conveyed Interests. Other than matters which have been resolved and for which there are no outstanding fines, penalties or material settlement amounts related thereto for which Buyer would be responsible, except as set forth in *Schedule 7.8*, the Subject Properties are, Seller's and its Affiliates' ownership, operation, use and development of the Subject Properties is and, to Seller's Knowledge, as of the Execution Date, any applicable Third Party's ownership, operation, use and development of the Subject Properties is, in material compliance with the provisions and requirements of all applicable Laws of any Governmental Authority. This *Section 7.8* does not include any matters with respect to Environmental Laws or Laws related to Taxes, which shall be exclusively addressed in *Article VI* and *Section 7.12*, respectively.

7.9 ***Preferential Rights***. Except as set forth in *Schedule 7.9*, (a) with respect to the Conveyed Interests operated by Seller or any of Seller's Affiliates, and (b) with respect to the Conveyed Interests that are not operated by Seller or any of its Affiliates, to Seller's Knowledge, there are no preferential purchase rights, rights of first refusal or other similar rights that are applicable to the transfer of the Conveyed Interests in connection with the transactions contemplated hereby (each a "***Preferential Purchase Right***"). *Schedule 7.9* contains a complete and correct list of all Preferential Purchase Rights relating to the Conveyed Interests and/or the consummation of the transactions contemplated by this Agreement.

7.10 ***Imbalances***. To Seller's Knowledge, *Schedule 7.10* sets forth all Imbalances associated with the Conveyed Interests as of the Effective Time.

7.11 ***Current Commitments***. *Schedule 7.11* sets forth, as of the Execution Date, all approved authorizations for expenditures and other approved capital commitments, individually equal to or greater than $100,000 (net to Seller's and its Affiliates' collective interest) (the "***AFEs***") relating to the Conveyed Interests to drill or rework any Wells for which all or any part of the activities anticipated in such AFEs have not been completed by the Execution Date.

7.12 ***Taxes***. Except as set forth in *Schedule 7.12*, during the period of Seller's ownership of the Conveyed Interests,

(a) all material Asset Taxes that have become due and payable by Seller or its Affiliates and all income and other material Taxes that have become due and payable by the Tarrant Salt Water Disposal Joint Venture have been properly paid in full;

(b) all material Tax Returns with respect to Asset Taxes required to have been filed by Seller or its Affiliates and all income and other material Tax Returns required to have been filed by the Tarrant Salt Water Disposal Joint Venture have been timely filed and all such Tax Returns are true, correct and complete in all material respects;

(c) no Tax audits or administrative or judicial proceedings are being conducted, are presently pending or have been threatened in writing, in each case, with respect to Asset Taxes or any Taxes imposed on the Tarrant Salt Water Disposal Joint Venture;

(d) there are no Encumbrances on any of the Conveyed Interests (including the assets of the Tarrant Salt Water Disposal Joint Venture) attributable to Taxes other than statutory liens for current period Taxes that are not yet due and payable;

(e) none of Seller or any its Affiliates has received written notice of any pending claim with respect to material Asset Taxes or with respect to income or other material Taxes of the Tarrant Salt Water Disposal Joint Venture, and there is no assessment, deficiency, or adjustment (in each case which remains unresolved) that has been asserted in writing, proposed in writing or, to the Knowledge of the Seller or its Affiliates, threatened in writing with respect to such Taxes;

(f) the Tarrant Salt Water Disposal Joint Venture has, at all times, been properly treated as a disregarded entity or partnership for U.S. federal (and applicable state) income Tax purposes; and

(g) other than the Water Disposal JV Interests and the Other Working Interest Owner Interests, none of the Conveyed Interests is subject to any tax partnership agreement or is otherwise treated, or required to be treated, as held in an arrangement requiring a partnership income Tax Return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code.

7.13 ***Brokers' Fees***. None of Seller or any of its Affiliates has incurred any Liability, contingent or otherwise, for brokers' or finders' fees or other similar forms of compensation as an intermediary relating to the transactions contemplated by this Agreement for which Buyer or any Affiliate of Buyer shall have any responsibility.

7.14 ***Ownership of Water Disposal JV Interests***.

(a) Seller is the record and beneficial owner of fifty percent (50%) of the partnership interests in the Tarrant Salt Water Disposal Joint

Venture, free and clear of Encumbrances (other than restrictions on transfer pursuant to applicable (i) securities Laws and (ii) its governing organizational documents).

(b) The delivery by Seller of the Assignment of Water Disposal JV Interests will vest Buyer with good title to fifty percent (50%) of the partnership interests in the Tarrant Salt Water Disposal Joint Venture, free and clear of all Encumbrances (other than restrictions on transfer pursuant to applicable (i) securities Laws and (ii) its governing organizational documents).

7.15 ***Capitalization of the Tarrant Salt Water Disposal Joint Venture***.

(a) The Water Disposal JV Interests constitute fifty percent (50%) of the partnership interests in the Tarrant Salt Water Disposal Joint Venture.

(b) Except as set forth on *Schedule 7.15(b)*, there is no outstanding option, consent, right of first offer, right of first refusal, tag along right, drag along right or other right entitling any Person to purchase or otherwise acquire the Water Disposal JV Interests.

(c) Prior to the Closing Date, Buyer has been provided access to a complete and accurate copy of the Joint Venture Agreement (including all amendments and modifications thereto) which is the governing organizational document for the Tarrant Salt Water Disposal Joint Venture. Seller is in compliance in all material respects with all of its obligations, covenants and agreements thereunder and, to Seller's Knowledge, as of the Execution Date, there is no unresolved dispute thereunder.

7.16 ***Payment of Burdens***. Except as set forth on (i) *Schedule 7.16*, (ii) *Schedule 7.6* or (iii) *Schedule 9.11* (and in each case of (ii) and (iii), including the facts and circumstances related thereto and/or the outcomes thereof) and except for funds that are being held in suspense in accordance with applicable Laws and constitute Suspense Funds, all Burdens due and payable by or on behalf of Seller, any of its Affiliates or, to Seller's Knowledge, as of the Execution Date, any Third Party with respect to the Conveyed Interests have been fully, timely and properly calculated and paid in all material respects and are not in arrears, or, if not paid, Seller or the applicable Affiliate is contesting the same in good faith in the normal course of business as set forth on *Schedule 7.16*.

7.17 ***Payout Balances***. To Seller's Knowledge, *Schedule 7.17* contains a complete list of the status of any "payout" balance, as of the Effective Time, with respect to Wells operated by Seller (or its Affiliates) subject to a reversion or other adjustment at some level of cost recovery or payout (or passage of time or other event other than termination of a Lease by its terms).

7.18 ***Environmental Matters***. Except as described on *Schedule 7.18* as of the Execution Date:

(a) neither Seller nor any of its Affiliates has received, nor to Seller's Knowledge has any Third Party operator of any of the Conveyed Interests received, any written notice of violation of, or non-compliance, in each case, in any material respect, with, any Environmental Laws applicable or relating to the Conveyed Interests where such violation or non-compliance has not been previously cured and Remediated or otherwise resolved; (b) to Seller's Knowledge, the Conveyed Interests (including Seller's and its applicable Affiliates' ownership, operation, use, maintenance and development thereof and the operation, use, maintenance and development by any applicable Third Party operator thereof) are in compliance with Environmental Laws in all material respects, and (c) to Seller's Knowledge, there has been no unresolved release of Hazardous Substances on or from the Conveyed Interests that violates in any material respect any Environmental Law or with respect to which material Remediation is presently required under Environmental Laws. Notwithstanding any other provision in this Agreement, the representations and warranties in this *Section 7.18* are the only representations and warranties of Seller in this Agreement with respect to any Environmental Law or environmental matter relating to the Conveyed Interests.

7.19 ***Liens and Encumbrances; Status of the Leases and Units***.

(a) Seller and its Affiliates holding and/or owning any of the Conveyed Interests shall convey such Conveyed Interests to Buyer free and clear of all liens, mortgages and other Encumbrances, if any, created by, through or under Seller or any of its Affiliates (other than Permitted Encumbrances), and at or prior to the Closing, Seller and its Affiliates holding Conveyed Interests shall cause its lenders, or other Third Parties, with liens or Encumbrances on the Conveyed Interests, if any, securing indebtedness for borrowed money to execute and deliver all documentation necessary to release all such liens and Encumbrances.

(b) Excluding matters addressed in Seller's representations and warranties set forth in *Section 7.16* and facts, circumstances or other matters that could have been or are asserted as Title Defects pursuant to *Article V* (including those that could have been or are asserted as Title Defects pursuant to *Article V* but for application of the Individual Title Defect Threshold), as of the Execution Date, (A) to Seller's Knowledge, none of Seller, any of its Affiliates or any Third Party operator of any of the Conveyed Interests is in default with respect to any of its material obligations under or in respect of any of the Leases or Units and (B) none of Seller, any of its Affiliates or, to Seller's Knowledge, any Third Party that is a party to any Lease or Unit has not received from any other party to any such Lease or Unit any written notice of any unresolved default under any such Lease or of such party's cancellation or termination of, or intent or threat to cancel or terminate, any such Lease or Unit.

7.20 ***Take-or-Pay or Bonus Payments; Non-Consent Elections***. Except as set forth on *Schedule 7.20*, none of Seller or any of its Affiliates are obligated, under a take-or-pay, advance payment or similar arrangement, or by virtue of an election to non- consent or not participate in a past or current operation on a Property pursuant to any applicable operating agreement or other similar agreement or arrangement, to produce or deliver Hydrocarbons, or allow Hydrocarbons to be produced or delivered, without receiving full payment at the time of production or delivery in an amount that corresponds to Seller's or

its Affiliate's Net Revenue Interest in the production of Hydrocarbons attributable to such Property. Except (a) as set forth on *Schedule 7.20*, or where an "APO Working Interest" and "APO Net Revenue Interest" is set forth on *Exhibit A*, *Exhibit B* or *Schedule I-2*, and (b) for any interest or matter that has reverted, Seller and its Affiliates have not elected nor been deemed to have elected as a non-consenting party with respect to any Well, proposal or other operations with respect to any of the Conveyed Interests.

7.21 ***Receipt of Revenues***. Except (a) as set forth on *Schedule 7.21*, (b) with respect to Conveyed Interests that are not operated by Seller or any of its Affiliates, (c) for customary netting or offsets made in the ordinary course of business and (d) for other netting or offsets permitted under the terms of written Contracts, to Seller's Knowledge, as of the Execution Date, Seller and any of its Affiliates holding and/or owning any of the Conveyed Interests is timely receiving the full share of proceeds to which Seller or such Affiliate is entitled from the sale of Hydrocarbons produced from or allocable to the Conveyed Interests and all other income, revenues and proceeds earned from or with respect to any of the Conveyed Interests, without suspense or counterclaim, netting or set-off.

7.22 ***Suspense Funds***. *Schedule 7.22* sets forth (i) a true, complete and accurate list of all funds, proceeds of production, unclaimed property and related escheat obligations attributable and/or related to the Conveyed Interests that are due and owing to any Person and held in suspense by or on behalf of Seller or any of its Affiliates as of the date(s) set forth on such schedule (collectively, the "***Suspense Funds***"), (ii) if known, a general description of the reason(s) they are being held in suspense and (iii) if known, a true, complete and accurate list of the name or names of the Persons claiming any Suspense Funds or to whom any Suspense Funds are owed.

7.23 ***Credit Support***. *Schedule 7.23* sets forth a true and complete list of all Governmental Bonds, surety bonds, letters of credit, guarantees, and other forms of credit support currently maintained, posted or otherwise provided by or on behalf of Seller or any of its Affiliates with respect to the Conveyed Interests (including with respect to the ownership, operation, development or use thereof) (collectively, the "***Credit Support***"). True and complete copies of all such Credit Support have been made available to Buyer prior to the Execution Date (other than Credit Support which also relates to assets or obligations of Seller and its Affiliates other than the Conveyed Interests or Subject Properties).

7.24 ***Plugging and Abandonment; Wells; Access Rights***. Except as set forth on *Schedule 7.24*, as of the Execution Date, (i) neither Seller nor any of its Affiliates has received any notices or demands from Governmental Authorities or other Third Parties to plug or abandon or dismantle any Wells that currently requires such plugging or abandonment to occur, (ii) to Seller's Knowledge, there are no Wells that Seller, any of its Affiliates or the relevant Third Party operator thereof is currently obligated by any applicable Leases, Applicable Contracts, instruments, agreements, Laws or other Permits to commence plugging, abandonment or dismantling, as applicable, on or prior to the Execution Date, excluding, for the avoidance of doubt, Wells that are currently subject to exceptions to a requirement to plug or abandon issued by a Governmental Authority and (iii) to Seller's Knowledge, the Wells that have been plugged and abandoned by Seller or its Affiliates have been plugged and abandoned in a manner that complies in all material respects with all applicable Leases, Applicable Contracts, instruments, agreements, Laws and other Permits. To Seller's Knowledge, (A) subject to Permitted Encumbrances, all Wells drilled and completed by Seller or any of its Affiliates that are included in the Conveyed Interests have been drilled and completed within the applicable limits permitted by, and in accordance with the applicable terms and conditions of, all applicable Leases, Applicable Contracts and pooling and unit agreements or other similar orders and (B) *Schedule 7.24* identifies all shut-in, temporarily abandoned or other inactive Wells operated by Seller or any of its Affiliates that are located on or within any of the Lands as of November 18, 2019.

7.25 ***Carried Obligations***. Except for Seller's and its Affiliates' respective express obligations under the Material Contracts (including obligations with respect to non-consenting interest owners) and obligations with respect to non-participating fee simple mineral or working interest owners and drilling and normal ongoing lease operating expenses relating to the Wells, none of Seller or any of its Affiliates has any obligation to carry or bear any other interest owner's share of any expenses, obligations or any similar Liabilities which exceed, individually or in the aggregate, two hundred fifty thousand dollars ($250,000.00) (net to Seller's and its Affiliates' collective interests in the applicable Conveyed Interests).

7.26 ***Areas of Mutual Interest***. Except as set forth on *Schedule 7.7*, neither Seller nor any of its Affiliates nor any of the Conveyed Interests is subject to any area of mutual interest agreements or agreements that include non-competition restrictions or other similar restrictions on doing business that would be binding on Buyer, any Affiliates of Buyer or the Conveyed Interests after Closing.

7.27 ***Oil and Gas Operations***.

(a) Other than any issues which have been resolved and for which there are no outstanding fines, penalties or material settlement amounts related thereto for which Buyer would be responsible (other than as set forth in any Material Contract or arising in the ordinary course of business), subject to Permitted Encumbrances, all wells included in the Conveyed Interests drilled by Seller or its Affiliates have been drilled and (if completed) completed in material compliance with all applicable oil and gas leases, pooling and unit agreements, and applicable Laws; and

(b) Except for matters as would not reasonably be expected to result in a Material Adverse Effect on the Conveyed Interests, no well included in the Conveyed Interests is subject to penalties on allowables because of any overproduction or any other violation of applicable laws that would prevent such well from being entitled to its full legal and regular allowable from and after the Closing Date as prescribed by any Governmental Authority.

7.28 ***Additional Drilling Obligations***. Except as set forth at *Schedule 7.28*, (a) neither Seller nor any of its Affiliates has any express obligation to drill additional wells or conduct other material development operations in order to earn or continue to hold during the primary term of any lease included in the Conveyed Interests and (b) none of Seller or any of its Affiliates has been advised by a lessor under any lease affecting the Conveyed Interests of any unresolved requirements or demands to drill additional wells or conduct additional development operations.

7.29 ***Permits***. Except as set forth on *Schedule 7.29*, Seller and its applicable Affiliates have obtained and hold all permits, licenses, variances, exemptions, orders, franchises, approvals and authorizations of all Governmental Authorities necessary for the lawful conduct of business or the lawful ownership, use and operation of the Conveyed Interests ("***Seller Permits***"), except for Seller Permits whereby the failure to obtain or hold would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Conveyed Interests covered thereby. Except as set forth on *Schedule 7.29*, Seller and its Affiliates are in compliance with the terms of Seller Permits, except where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Conveyed Interests covered thereby.

7.30 ***Payment of Expenses***. Except (a) as set forth on *Schedule 7.30* and (b) for other netting or offsets permitted under the terms of written Contracts, to Seller's Knowledge, all expenses of twenty-five thousand dollars ($25,000.00) or more (including all bills for labor, materials and supplies used or furnished for use in connection with the Conveyed Interests, and excluding all Taxes which shall be exclusively addressed in *Section 7.12*), relating to the ownership or operation of the Conveyed Interests and that are due by Seller or any of its Affiliates, have been, and are being, paid by Seller or its applicable Affiliate(s) (timely, and before the same become delinquent) or, with respect to the Conveyed Interests that are not operated by Seller or any of its Affiliates, netted, in a manner consistent with Seller's customary practices and procedures, except such expenses as are disputed in good faith by Seller and set forth on *Schedule 7.30*.

7.31 ***Gathering Assets***. Except as set forth on *Schedule 7.31*, Seller, SWGP, DGS and DEC, as applicable, hold good and defensible title, free and clear of all claims and Encumbrances (other than Permitted Encumbrances), in all material respects to the Pipeline Systems, SWGP Pipeline System and DGS Pipeline System and all other personal property assets used or held by Seller, SWGP, DGS and DEC in connection therewith (collectively, the "***Gathering Assets***"), and to the Rights-of-Way, SWGP Rights-of-Way and DEC Rights-of-Way to the extent necessary to use and operate the Gathering Assets in the same manner as they are currently used and operated by Seller and its Affiliates. To Seller's Knowledge, the Gathering Assets are in working order and repair (excluding normal wear and tear) adequate in all material respects for operation as currently being operated. Except as set forth in *Schedule 7.31*, Seller (and its Affiliates) with respect to the Conveyed Interests (a) is not a "natural gas company" engaged in the transportation of natural gas in interstate commerce under the Natural Gas Act of 1938, as amended, or has operated, or provided services, using any Conveyed Interest in a manner that subjects it, any Third Party operator of any Conveyed Interest or any future owner of any Conveyed Interest to the jurisdiction of, or regulation by, the Federal Energy Regulatory Commission ("***FERC***") (i) as a natural gas company under the Natural Gas Act of 1938 (other than pursuant to a certificate of limited jurisdiction as described below), or (ii) as a common carrier pipeline under the Interstate Commerce Act, (b) does not hold any general or limited jurisdiction certificate of public convenience and necessity issued by FERC other than a blanket sale for resale certificate issued by operation of applicable Law or a blanket certificate issued to permit participation in capacity release transactions or (c) is not a gas utility or common carrier subject to the jurisdiction of any Governmental Authority, in each case, in connection with any Gathering Asset. As of the Execution Date, no rate refunds, rebates, offsets or like obligations are accrued or owed by Seller or any of its Affiliates with respect to services related to the Gathering Assets. As of the Execution Date, there is no adverse regulatory proceeding before FERC or any state regulatory agency pending or, to Seller's Knowledge, threatened in writing against or involving Seller or any of its Affiliates in connection with any Gathering Asset.

7.32 ***ROW Instruments***. Seller, SWGP, DGS and DEC, as applicable, hold good and defensible title evidenced of record or documentation in Seller's possession, free and clear of all claims and Encumbrances (other than Permitted Encumbrances), in all material respects to all Rights-of-Way, SWGP Rights-of-Way or DEC Rights-of-Way (collectively, the "***ROW Instruments***"). Seller and its Affiliates are in compliance with all terms and conditions of all ROW Instruments, except where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Conveyed Interests covered thereby.

7.33 ***Affiliate Contracts and Arrangements***. Except as otherwise set forth on *Schedule 7.33* and except for the Excluded Assets and Other Matters, (a) none of Seller or any of its Affiliates are involved in any business arrangement or relationship or any Contracts with any of Seller's Affiliates relating to any of the Conveyed Interests or the ownership, operation, development and/or use thereof that, in each case, will (i) not be terminated on or prior to the Closing or (ii) be applicable to, binding upon or otherwise burden any of the Conveyed Interests and/or the ownership, operation, development and/or use of any of the Conveyed Interests from and after the Closing and (b) none of Seller's Affiliates owns any material asset, property, right or interest of any kind, whether tangible or intangible, that is primarily used in connection with the ownership, operation, use and/or development of any of the Conveyed Interests that is not otherwise included in (or constitutes a part of) the Conveyed Interests.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller, as of the Execution Date and the Closing Date, as follows:

8.1 ***Organization, Existence and Qualification***. Buyer is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware and has all requisite power and authority to own and operate its property and to carry on its business as now conducted. Buyer is duly licensed or qualified to do business as a foreign limited liability company in all jurisdictions in which it carries on business or owns assets and such qualification is required by Law except where the failure to be so qualified would not have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

8.2 ***Authorization, Approval and Enforceability***. Buyer has full power and authority to enter into and perform this Agreement, the Transaction Documents to which it is a party and the transactions contemplated herein and therein. The execution, delivery, and performance by Buyer of this Agreement and the Transaction Documents have been duly and validly authorized and approved by all necessary limited liability company action on the part of Buyer. This Agreement is, and the Transaction Documents to which Buyer is a party, when executed and delivered by Buyer, will be the valid and binding obligations of Buyer and enforceable against Buyer in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.3 ***No Conflicts***. The execution, delivery, and performance by Buyer of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated herein and therein will not (a) conflict with or result in a breach of any provisions of the organizational or other governing documents of Buyer, (b) result in a default or the creation of any Encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or other agreement to which Buyer is a party or by

which Buyer or any of its property may be bound or (c) violate any Law applicable to Buyer or any of its property, except in the case of *clauses (b)* and *(c)* where such default, Encumbrance, termination, cancellation, acceleration or violation would not, individually or in the aggregate, have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

8.4 ***Consents***. Except for Post-Closing Consents and Regulatory Approvals, there are no consents or other restrictions on assignment, including requirements for consents from any Third Party or any Governmental Authority to any assignment, in each case, that Buyer is required to obtain in connection with the consummation of the transactions contemplated by this Agreement by Buyer.

8.5 ***Insolvency***. There are no bankruptcy, reorganization, insolvency or receivership proceedings pending, being contemplated by or, to Buyer's Knowledge, threatened against Buyer or any Affiliate of Buyer.

8.6 ***Litigation***. As of the Execution Date, there is no investigation, lawsuit, litigation or arbitration by any Person or before any Governmental Authority pending, or to Buyer's Knowledge, threatened against Buyer or any of its Affiliates that has or would have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

8.7 ***Regulatory***. Assuming the receipt of all Regulatory Approvals, Buyer will, upon Closing, be qualified under Law to own and assume operatorship of the Conveyed Interests in all jurisdictions where the Conveyed Interests are located, and the consummation of the transactions contemplated by this Agreement will not cause Buyer to be disqualified as such an owner or operator. To the extent required by any Laws, Buyer will, upon Closing, maintain lease bonds, area-wide bonds or any other surety bonds as may be required by, and in accordance with, all Laws governing the ownership and operation of the Conveyed Interests and will, upon Closing, have filed any and all reports necessary for such ownership and/or operation with all Governmental Authorities having jurisdiction over such ownership and/or operation. To Buyer's Knowledge, there is no fact or condition with respect to Buyer or its obligations hereunder that may cause any Governmental Authority to withhold its unconditional approval of the transactions contemplated hereby to the extent approval by such Governmental Authority is required by Law.

8.8 ***Financing***. Buyer shall have, as of the Scheduled Closing Date (or the date that is the end of the 10 Business Day period described in *Section 14.1(c)*, if applicable) and at Closing, access to sufficient cash in immediately available funds with which to (a) pay the Closing Payment due at Closing, (b) consummate the transactions contemplated by this Agreement and (c) perform its obligations under this Agreement and the Transaction Documents.

8.9 ***Independent Evaluation***. Buyer (a) is sophisticated in the evaluation, purchase, ownership and operation of oil and gas properties and related facilities, (b) is capable of evaluating, and hereby acknowledges that it has so evaluated, the merits and risks of the Conveyed Interests, Buyer's acquisition, ownership, and operation thereof, and its obligations hereunder, and (c) is able to bear the economic risks associated with the Conveyed Interests, Buyer's acquisition, ownership, and operation thereof, and its obligations hereunder. In making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has, notwithstanding anything to the contrary contained in this Agreement, relied on (and shall be deemed to have relied on), except for Fraud (i) the express terms of this Agreement and the Transaction Documents (including all express representations, warranties, covenants and agreements of Seller set forth herein), Seller's certificate to be delivered at Closing pursuant to *Section 12.3(l)* and the special warranty of Defensible Title set forth in the Assignment(s) and Deed(s), (ii) its own independent investigation and evaluation of the Conveyed Interests and the advice of its own legal, tax, economic, environmental, engineering, geological and geophysical advisors and the express provisions of this Agreement and not on any comments, statements, projections or other materials made or given by any Representatives, consultants or advisors of Seller or any Affiliates of Seller and (iii) its own due diligence pertaining to the Conveyed Interests as Buyer has deemed adequate. Without limiting the foregoing and except for Fraud, Buyer acknowledges Seller's disclaimer of representations and warranties set forth in *Section 4.3* and expressly disclaims reliance on any representation or warranty not set forth in *Article VII*, the certificate delivered by Seller pursuant to *Section 12.3(l)* or the Special Warranty set forth in the Assignments and Deeds.

8.10 ***Brokers' Fees***. None of Buyer or Buyer's Affiliates has incurred any Liability, contingent or otherwise, for brokers' or finders' fees or other similar forms of compensation as an intermediary relating to the transactions contemplated by this Agreement or the Transaction Documents for which Seller or any of Seller's Affiliates has or shall have any responsibility.

8.11 ***Accredited Investor***. Buyer is an "accredited investor," as such term is defined in Regulation D of the Securities Act of 1933, as amended, and will acquire the Conveyed Interests for its own account and not with a view to a sale, distribution, or other disposition thereof in violation of the Securities Act of 1933, as amended, and the rules and regulations thereunder, any applicable state blue sky Laws or any other applicable securities Laws.

8.12 ***Sanctions***. Neither Buyer, nor, to Buyer's Knowledge, any executive officer or member of the board of directors of Buyer, any individual shareholder with over 5% ownership of Buyer has been the subject of United States sanctions Laws administered by OFAC, including, OFAC's Specially Designated Nationals and Blocked Persons List, and economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the United Nations Security Council.

ARTICLE IX
CERTAIN AGREEMENTS

9.1 ***Conduct of Business***. Except (w) as set forth in *Schedule 9.1*, (x) for the operations covered by the AFEs and other capital commitments described in *Schedule 7.11* and/or, (y) for actions taken in connection with emergency situations to protect life or property or to maintain the environment and/or (z) for actions consented to in writing by Buyer (which consent shall not be unreasonably delayed, withheld or conditioned), including consent by e-mail:

(a) Seller shall (and shall cause its Affiliates to), from and after the Execution Date until Closing:

(i) maintain (or cause its Affiliates to maintain), and if Seller or one of its Affiliates is the operator thereof, operate, the Conveyed Interests in the usual and ordinary manner consistent with its past practice or where Seller or an Affiliate of Seller is not the operator of the Conveyed Interests will continue their action as a non-operator in the ordinary course of business; *provided*, that Seller shall have no obligation to maintain in full force and effect any Lease or any other Conveyed Interest if such Lease or other Conveyed Interest terminates pursuant to its existing terms or where a reasonably prudent operator would not maintain the same;

(ii) maintain the books of account and Records relating to the Conveyed Interests in the usual and ordinary manner, in accordance with its usual accounting practices and applicable Law;

(iii) subject to Seller's customary insurance practices (including annual adjustments, if applicable), maintain insurance coverage on the Conveyed Interests in the amounts and types currently in force;

(iv) maintain in all material respects all material Permits that are maintained by Seller or any of its Affiliates with respect to the Conveyed Interests as of the Execution Date;

(v) should Seller or any of its Affiliates receive (or desire to make) any proposals to drill additional Wells on the Subject Properties, or to conduct other operations which require consent of non-operators under the applicable operating agreement, Seller will notify Buyer of, and consult with Buyer concerning, such proposals but any decisions with respect to proposals shall be made by Seller, so long as the decisions are made in the ordinary course of business;

(vi) use good faith efforts to (A) promptly provide written notice to Buyer of any matter, fact or circumstance that arises during the Interim Period that, if such matter, fact or circumstance was in existence as of the Execution Date, would have been required to be set forth on a Schedule to any of Seller's representations and warranties pursuant to the terms and conditions set forth in this Agreement and (B) add, supplement and amend Seller's applicable Schedule(s) to its representations and warranties pursuant to and consistent with *Section 9.5*; and

(vii) timely pay any and all Asset Taxes that become due and payable.

(b) except as expressly contemplated by this Agreement, Seller shall not (and Seller shall cause its Affiliates not to), from and after the Execution Date until Closing:

(i) except in the case of any Contracts that are crude oil, condensate, and natural gas purchase and sale, gathering, transportation, and marketing arrangements entered into in the ordinary course of business that are terminable on not more than 60 days' notice (without the payment of a fee or penalty), enter into an Applicable Contract that, if entered into on or prior to the Execution Date, would be required to be listed in *Schedule 7.7*;

(ii) terminate (unless such Material Contract terminates pursuant to its stated terms), modify or amend, in each case, in any material respect, the terms of any Material Contract or waive, release grant or transfer any material rights in any Material Contract;

(iii) commit to make any capital expenditures or propose (or consent or non-consent to) any in a single operation (or series of related operations) reasonably expected to cost Seller or any of its Affiliates in excess of $50,000 or make or commit to make any individual operating expenditure in excess of $50,000;

(iv) transfer, sell, abandon, surrender mortgage, pledge, hypothecate, dispose of or otherwise Encumber (excluding any Permitted Encumbrances) any of the Conveyed Interests (or permit any Affiliate to do any of the foregoing), other than (A) the transfer, sale, or disposal of Hydrocarbons in the ordinary course of business and (B) the sale of equipment that is no longer necessary in the operation of the Conveyed Interests or for which replacement equipment has been, or will be on or prior to Closing, obtained;

(v) amend or modify or take any action to permit the amendment or modification of the applicable governing organizational documents and any related agreements for the Tarrant Salt Water Disposal Joint Venture;

(vi) create, assume, incur, guarantee or voluntarily become liable for any indebtedness for borrowed money or take any action that permits the foregoing, in each case, with respect to the Tarrant Salt Water Disposal Joint Venture;

(vii) adopt any plan of reorganization, liquidation or dissolution of the Tarrant Salt Water Disposal Joint Venture;

(viii) settle, cancel or compromise any claim or other Proceeding in a manner that would adversely affect in any material respect the ownership, operation or use of the Conveyed Interests, taken as a whole, or for which Buyer would have any Liability in excess of $10,000.00 from and after the Effective Time;

(ix) (A) grant any overriding royalty or other Burden to any Person and (B) consent to, grant or otherwise convey any overriding royalty interest or other Burden on any Lease except to the extent required under any Material Contract, and in such event, only to the extent that it would not reduce the NRI for any Conveyed Interest below that set forth for such Conveyed Interest on *Exhibit* A, Exhibit *B* or *Exhibit I-2*, as applicable;

(x) delay or postpone the payment of accounts payable or other liabilities outside the ordinary course of business;

(xi) enter into, amend or modify (other than terminate or release) any transactions with any of its Affiliates relating to or affecting the Conveyed Interests or Buyer;

(xii) enter into any Contract that would have constituted a Material Contract if it would have been in effect or existence as of the Execution Date; or

(xiii) commit to do any of the foregoing.

(c) Buyer acknowledges that Seller and its Affiliates own undivided interests in certain of the properties comprising the Subject Properties with respect to which Seller or any of its Affiliates is not the operator, and Buyer agrees that the acts or omissions of any other working interest owner (including any Third Party operator) or any other Person who is not Seller or an Affiliate of Seller shall not constitute a breach of the provisions of this *Section 9.1*, and no action required by a vote of working interest owners shall constitute such a breach so long as Seller and its Affiliates have voted their respective interests in a manner that complies with the provisions of this *Section 9.1*.

9.2 ***Successor Operator***. Buyer acknowledges that it desires to succeed Seller as operator of those Subject Properties or any portion thereof that Seller or any of its Affiliates currently operates. Buyer further acknowledges and agrees that Seller does not covenant or warrant that Buyer will become successor operator of such Subject Properties. Seller agrees, however, that, as to the Subject Properties it or any of its Affiliates operates, it shall use its commercially reasonable efforts to support Buyer's effort to become successor operator of such Subject Properties (without the obligation to expend any monies or undertake any obligations (other than to provide such support)) effective as of Closing (at Buyer's sole cost and expense) and to designate, to the extent legally possible and permitted under any applicable joint operating agreement or other Contract, Buyer as successor operator of such Subject Properties effective as of the Closing. Should Buyer for any reason not succeed Seller or any of its applicable Affiliates as operator of any Subject Properties at Closing, for 120 days after Closing, Seller shall continue to use commercially reasonable efforts to support Buyer's effort to become successor operator of such Subject Properties (at Buyer's sole cost and expense); *provided*, *however*, Seller shall not be obligated to expend any monies or undertake any obligations (other than to provide such support).

9.3 ***Governmental Bonds and Guarantees***.

(a) Buyer acknowledges that none of the bonds, letters of credit and guarantees, if any, posted by Seller or its Affiliates with any Governmental Authority and/or relating to the Conveyed Interests, including those set forth in *Schedule 9.3(a)* (the "***Governmental Bonds***"), are transferable to Buyer. On or before the Closing Date, Buyer shall obtain, or cause to be obtained in the name of Buyer, replacements for such Governmental Bonds to the extent such replacements are necessary (i) for Buyer's ownership or operation of the Conveyed Interests, and (ii) to permit the cancellation of the Governmental Bonds posted by Seller and/or any Affiliate of Seller with respect to the Conveyed Interests at Closing, or, if Seller is continuing to operate the Conveyed Interests post-Closing as a service pursuant to the Transition Services Agreement, on the date such service terminates under the Transition Services Agreement. In addition, at or prior to Closing, Buyer shall deliver to Seller evidence of the posting of bonds or other security with all applicable Governmental Authorities meeting the requirements of such Governmental Authorities to own and, if applicable, operate the Conveyed Interests.

(b) Buyer shall cooperate with Seller in order to cause Seller and its Affiliates to be released, as of the Closing Date, from all Credit Support and all obligations under the Designated Midstream Contracts. Without limiting the foregoing, if required by a counterparty to any Credit Support or Designated Midstream Contract, Buyer shall, and, if applicable, shall cause its Affiliates to, provide, effective as of the Closing Date, such replacements of such Credit Support or such guarantees, performance bonds, letters of credit, escrow accounts and other forms of financial assurance as may be required by such counterparties in order to release Seller and its Affiliates from all obligations under such Credit Support and Designated Midstream Contracts; *provided*, that Buyer's obligation to provide replacements of such Credit Support or such guarantees, performance bonds, letters of credit, escrow accounts and other forms of financial assurance as may be required by such counterparties in order to release Seller and its Affiliates from all obligations under the Designated Midstream Contracts shall not exceed $135,500,000. Buyer shall use good faith efforts to provide guarantees, performance bonds, letters of credit, escrow accounts and other forms of financial assurance as may be required by such counterparties in order to release Seller and its Affiliates from all obligations under all other Applicable Contracts and in connection with its obligations under *Section 9.13*.

(c) In the event that (i) any counterparty to any such Credit Support or any Designated Midstream Contract does not release Seller or any of its Affiliates from all of their obligations under such Credit Support or such Designated Midstream Contract (which failure or refusal by any such counterparty to release Seller or any of its Affiliates from any of their obligations under such Credit Support or such Designated Midstream Contract is not caused by, related to or the result of any action or inaction by or on behalf of Seller or any of its Affiliates (other than the failure by Seller or any of its Affiliates to agree to any obligations or to provide or continue any guarantees, performance bonds, letters of credit, escrow accounts or other financial assurance which, for the avoidance of doubt, neither Seller nor its Affiliates shall be required to do)), or (ii) any Governmental Authority does not permit the cancellation of any Governmental Bond posted by Seller and/or any Affiliate of Seller with respect to the Conveyed Interests (which refusal by any such Governmental Authority to permit the cancellation of any such Governmental Bond is not caused by, related to or the result of any action or inaction by or on behalf of Seller or any of its Affiliates (other than the failure by Seller or any of its Affiliates to agree to any obligations or to provide or continue any guarantees, performance bonds, letters of credit, escrow accounts or other financial assurance which, for the avoidance of doubt, neither Seller nor its Affiliates shall be required to do)), then, in each case, from and after Closing, or, if Seller is continuing to operate the Conveyed Interests post-Closing as a service pursuant to the Transition Services Agreement, on the date such service terminates under the Transition Services Agreement, Buyer shall indemnify Seller or any applicable Affiliate of Seller, as applicable, against all amounts incurred by Seller or any Affiliate of Seller, as applicable, under such Credit Support, such Designated Midstream Contract or such Governmental Bond (and all costs incurred in connection with such Credit Support, such Designated Midstream Contract or such Governmental Bond) if applicable to the Conveyed Interests acquired by Buyer. Notwithstanding anything in this Agreement to the contrary, any cash placed in escrow by Seller or any Affiliate of Seller pursuant to the Credit Support must be returned to Seller as soon as is reasonably practicable following the release of such cash from any such escrow and shall be deemed an Excluded Asset and Other Matter for all purposes hereunder.

9.4 ***Record Retention***. Buyer shall and shall cause its successors and assigns to, for a period of seven years following Closing, (a) retain the Records, (b) provide Seller, its Affiliates and its and their respective officers, employees and representatives with reasonable access to the Records during

normal business hours for review and copying at Seller's expense, and (c) provide Seller, its Affiliates and its and their respective officers, employees and representatives with reasonable access, during normal business hours, to materials received or produced after Closing relating to any indemnity claim made under *Section 13.2* for review and copying at Seller's expense.

9.5 ***Amendment of Schedules***. Buyer agrees that, with respect to the representations and warranties of Seller contained in this Agreement, Seller shall have the continuing right until 5 Business Days prior to Closing to add, supplement or amend the Schedules to its representations and warranties with respect to any matter hereafter arising which was not in existence on the Execution Date and, if existing on the Execution Date or thereafter, would have been required to be set forth or described in such Schedules. For all purposes of this Agreement, including for purposes of determining whether the conditions set forth in *Article X* have been fulfilled, the Schedules to Seller's representations and warranties contained in this Agreement shall be deemed to include only that information contained therein on the Execution Date and shall be deemed to exclude all information contained in any additional, supplement or amendment thereto; *provided*, *however*, that if Closing shall occur, then Buyer shall not be entitled to make a claim for a breach of Seller's representations or warranties with respect thereto pursuant to the terms of this Agreement.

9.6 ***Employees***.

(a) From and after the Execution Date until the date that is 12 calendar months after the earlier to occur of (i) the Closing Date and (ii) the termination of this Agreement pursuant to *Section 14.1*, except to the extent set forth in the rest of this *Section 9.6*, Buyer will not, and will cause its Affiliates not to directly solicit (and Buyer will not cause any Third Party to solicit on behalf of Buyer) for employment any employee of Seller or any Affiliate of Seller (other than Offered Employees) whom Buyer or its Affiliates have met or come in contact with as a result of evaluating the transactions contemplated hereunder, without obtaining the prior written consent of Seller.

(b) *Schedule 9.6* sets forth a list of the job title, job location and job description of those employees of Seller or any Affiliate of Seller to whom Buyer or its Affiliate may, but shall not be obligated to, offer employment, with each such offer to be effective as of 12:01 A.M. on the Employment Effective Date applicable to the particular Offered Employee. The "***Employment Effective Date***" with respect to an Offered Employee shall be the first day following the end of the applicable term of the Transition Services Agreement associated with the services provided by such Offered Employee; *provided*, *however*, that Buyer may elect, in its discretion, to cause the Employment Effective Date with respect to an Offered Employee to be the Closing Date by providing written notice to Seller of those Offered Employees to whom such election shall apply with such notice to be provided to Seller no later than 30 days prior to the Closing Date. Notwithstanding the preceding provisions of this paragraph, with respect to any Offered Employee who is on a leave of absence as of the Employment Effective Date otherwise applicable to such Offered Employee, employment of such Offered Employee with Buyer or its Affiliate shall be effective as of 12:01 A.M. on such later date as such individual returns to work. Within five Business Days following the Execution Date, Seller shall provide the following information to Buyer with respect to each employee listed on *Schedule 9.6*: (i) name, (ii) date of hire and (iii) base salary or hourly wage rate, as applicable. Each offer of employment that Buyer or its Affiliate elects to make must be made no later than the Employment Offer Deadline.

(c) With respect to each employee to whom Buyer or its Affiliate chooses to offer employment pursuant to *Section 9.6(b)* above (each, an "***Offered Employee***"), such offer shall be in writing, subject to the Closing having occurred and shall provide that Buyer shall, or shall cause its Affiliate to, provide to each Offered Employee for a period of at least 12 months after the Closing Date (i) a rate of base salary or wages, as applicable, the bonus opportunities that are no less favorable than those provided to similar situated employees of Buyer and its Affiliates immediately prior to the Closing Date, and (ii) other employee benefits, plans, programs and other arrangements that are no less favorable than those provided to similar situated employees of Buyer and its Affiliates.

(d) Each offer of employment made by Buyer or its Affiliate to an Offered Employee shall be made no later than 5 Business Days prior to the Employment Effective Date applicable to such Offered Employee (the "***Employment Offer Deadline***"). Buyer or Buyer's Affiliate shall provide to Seller a notice of each offer to be made to an Offered Employee no later than two (2) Business Days before issuing any such offer to an Offered Employee.

(e) The provisions of this *Section 9.6* are solely for the benefit of the Parties and nothing in this Agreement express or implied shall confer upon any employee, Offered Employee or any legal representative or beneficiary thereof any rights or remedies, including any right to employment, or continued employment for any specified period, of any nature or kind whatsoever. Nothing in this *Section 9.6*, express or implied, shall be deemed an amendment of any employee benefit plan, bonus plan or arrangement, equity or equity-based compensation plan or arrangement, or any other employee benefit plan, agreement, arrangement, program, practice or understanding that is sponsored maintained, provided or contributed to by Seller or any of its Affiliates for the benefit of any Offered Employee.

9.7 ***Information Technology***. Prior to the transfer by Seller to Buyer of any desktop, network gear, data center gear and any other information technology equipment that may contain proprietary information of Seller, Seller shall be entitled to erase any and all data, software and other information from any such desktop, network gear, data center gear and any other information technology equipment, but only to the extent such data, software or other information does not relate to the Conveyed Interests (excluding any Excluded Assets or Other Matters), and Seller shall remove any data, software or other information related to the Conveyed Interests (excluding any Excluded Assets or Other Matters) and provide such data, software or other information to Buyer prior to erasing as described above.

9.8 ***Suspense Funds***. Notwithstanding anything in this Agreement to the contrary, but subject to, and without limitation of, the Specified Obligations and Seller's representations and warranties set forth in *Section 7.21* (and Seller's indemnity obligations with respect thereto), if, and solely to the extent, the Preliminary Settlement Statement or the Final Settlement Statement includes a downward adjustment to the Purchase Price with respect to any Suspense Funds identified on *Schedule 7.21* pursuant to *Section 3.3(b)(viii)*, then, with respect to such Suspense Funds, Buyer shall, from and after the Closing Date (or, with respect to any such Suspense Funds for which there is a downward adjustment to the Purchase Price pursuant to *Section 3.3(b)(viii)* in

the Final Settlement Statement, from and after the date of the final determination of the Final Price in accordance with *Section 3.6* or *Section 3.7*, as applicable), assume and fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid and discharged) all Liabilities arising from, based upon, related to or associated with the payment of all such Suspense Funds.

9.9 ***FCC Licenses***.

(a) Not later than ten Business Days after the Closing Date, Buyer and Seller shall file or cause to be filed with the FCC all appropriate applications with respect to the assignment to Buyer of the FCC Licenses (the "***FCC Assignment Applications***"). The FCC Assignment Applications and any supplemental information furnished in connection therewith shall be in substantial compliance with the FCC Rules or be responsive to a request of the FCC.

(b) Buyer and Seller shall furnish to each other such necessary information and reasonable assistance as the other may reasonably request in connection with the preparation, filing and prosecution of the FCC Assignment Applications. Buyer and Seller shall bear their own expenses in connection with the preparation, filing and prosecution of the FCC Assignment Applications. Buyer and Seller shall each use their commercially reasonable efforts (in each case, without the obligation to expend any monies or undertake any obligations (other than customary filing fees associated with the filing of applications for the assignment of FCC Licenses)) to prosecute the FCC Assignment Applications and shall furnish to the FCC any documents, materials or other information reasonably requested by the FCC.

(c) Until the date the FCC Assignment Applications are approved, Seller shall hold the benefit of the usage of the FCC Licenses in trust for Buyer to the extent it is lawfully able to do so, and where not lawfully able to do so, Buyer and Seller shall make such other arrangements as between themselves to provide Buyer with the benefit of such FCC Licenses.

9.10 ***Regulatory Matters***.

(a) If applicable, Seller and Buyer shall (i) make or cause to be made an appropriate filing of a Notification and Report Form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "***HSR Act***") with respect to the transactions contemplated hereby as promptly as practicable, but in no event later than twenty days, after the Execution Date, and Seller and Buyer shall bear their own costs and expenses incurred in connection with such filings, *provided* that Buyer shall bear all of the filing fees in connection therewith, and (ii) use their commercially reasonable efforts (for each Party with respect to this *clause (ii)*, without the obligation to expend any monies or undertake any obligations) to respond at the earliest practicable date to any requests for additional information made by the Antitrust Division of the Department of Justice (the "***DOJ***"), the Federal Trade Commission (the "***FTC***") or any other Governmental Authority, to take all actions necessary to cause the waiting periods under the HSR Act and any other Laws to terminate or expire at the earliest possible date, to resist in good faith, at each of their respective cost and expense, any assertion that the transactions contemplated hereby constitute a violation of Laws, and to eliminate every impediment under any Laws that may be asserted by any Governmental Authority so as to enable the Closing to occur as soon as reasonably possible in accordance herewith, all to the end of expediting consummation of the transactions contemplated hereby. In connection with this *Section 9.10(a)*, the Parties shall, to the extent permitted by Laws, (A) cooperate in all respects with each other in connection with any filing, submission, investigation or inquiry, (B) promptly inform the other Party of any communication received by such Party from, or given by such Party to, the DOJ or the FTC or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case, regarding the transactions contemplated hereby, (C) have the right to review in advance, and to the extent practicable each shall consult the other on, any filing made with, or written materials to be submitted to, the DOJ, the FTC or any other Governmental Authority or, in connection with any proceeding by a private party, any other Person, in connection with the transactions contemplated hereby and (D) consult with each other in advance of any meeting, discussion, telephone call or conference with the DOJ, the FTC or any other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, and to the extent not expressly prohibited by the DOJ, the FTC or any other Governmental Authority or Person, give the other Party the opportunity to attend and participate in such meetings and conferences, in each case, regarding the transactions contemplated hereby.

(b)

(i) Within three Business Days of the Execution Date, Buyer shall provide Seller with written notice of whether Buyer has elected to submit a formal joint voluntary notice to CFIUS in accordance with the DPA and the regulations and rules promulgated thereunder, including 31 C.F.R. § 800.401, et. seq. (the "***CFIUS Filing***"). If Buyer elects not to make a CFIUS Filing, then Seller shall have three Business Days from the date of Buyer's election not to make the CFIUS Filing to request that Buyer make the CFIUS Filing. If neither Party elects to make the CFIUS Filing, and CFIUS does not request a CFIUS Filing, a CFIUS Filing will not be made and *Sections 9.10(b)(ii), 10.6* (as it relates to CFIUS) and *11.6* (as it relates to CFIUS) of this Agreement will no longer apply.

(ii) If a Party elects to make the CFIUS Filing, Seller and Buyer shall (i) prepare and file, or cause the preparation and filing of, as promptly as reasonably practicable but in no event later than 15 Business Days after either Party elects to make the CFIUS Filing, (A) a pre-filing joint voluntary notice with CFIUS pursuant to the DPA and 31 C.F.R. § 800.401(f) and, (B) as soon as practicable after (but no earlier than five Business Days after) the pre-filing, a formal joint voluntary notice with CFIUS; (ii) provide any other information or submissions requested by CFIUS or any other agency or branch of the U.S. government in connection with CFIUS review or investigation of the transactions contemplated by this Agreement within the timeframes required by the DPA unless CFIUS agrees in writing to an extension of such timeframe; (iii) provide each other with the reasonable opportunity to review and comment on any information or submission provided to CFIUS, with the exception of personal identifier information required under Section 800.402(c)(6)(vi)(B) of the CFIUS regulations; (iv) coordinate and cooperate fully with each other in exchanging such information and provide such assistance as the other Party may reasonably request in connection with the foregoing; (v) promptly inform the other Party of any communication (orally or in writing) received by such Party from, or given by such Party to, CFIUS, including by promptly providing copies to the other Party of any such written communications; (vi) permit the other Party to review in advance any communication that it gives to, and consult with each other in advance of any meeting, substantive telephone call or conference with CFIUS, and to the extent not prohibited by CFIUS, give the other Party the opportunity to attend and participate in any in-person meetings with CFIUS; and (vii) use, or cause their respective Affiliates to use, their reasonable best efforts to obtain CFIUS Approval as promptly as practical after the Execution Date. With respect to Buyer, such reasonable best efforts shall include providing all such commitments or assurances as may be necessary, requested or imposed by CFIUS, including, without limitation, entering into a letter of assurance, national security agreement, or other similar arrangement in relation to the Conveyed Interests.

9.11 ***Settlement Agreements***. From and after the Closing, Buyer agrees to comply with, assume and perform all of the obligations set forth on *Schedule 9.11*.

9.12 ***Reserved***.

9.13 ***NAESB Base Contracts***. Buyer shall use commercially reasonable efforts to negotiate with the counterparties set forth on *Schedule 9.13* to enter into a NAESB Base Contract for the Sale and Purchase of Natural Gas prior to Closing on terms mutually agreed to by the Parties; *provided*, *however*, that, Subject to *Section 9.3(b)*, Buyer's commercially reasonable efforts shall not include the obligation to expend any monies or undertake any obligations (other than the obligation to negotiate with such counterparties).

9.14 ***Other Working Interest Owner Interests***. Seller shall be permitted to acquire the Other Working Interest Owner Interests prior to Closing, and in such event the Other Working Interest Owner Interests shall automatically become Conveyed Interests hereunder. In the event the Other Working Interest Owner Interests are not part of the Conveyed Interests at Closing, Buyer shall make a separate offer for the Other Working Interest Owner Interests on the same terms and conditions set forth herein (other than the Purchase Price) simultaneously with Closing. The consideration paid by Buyer to Seller for the Other Working Interest Owner Interests shall be the Allocated Other Working Interest Owner Amount. For the avoidance of doubt, the Parties agree that the Allocated Other Working Interest Owner Amount attributable to the Other Working Interest Owner Interests is (a) not intended to reflect the fair market value of the Other Working Interest Owner Interests for Tax purposes and (b) being used solely for the purpose of applying the provisions of this Agreement.

9.15 ***Financial Cooperation***.

(a) Seller acknowledges that Buyer, or its Affiliates (including its successors and assigns) may be required to include statements of revenues and direct operating expenses and other financial information relating to the Conveyed Interests for one or more years or interim periods ending on or prior to, or including, the Closing (but not to exceed two (2) fiscal years plus, on an unaudited basis, the interim period in 2020 prior to the Closing Date), in documents filed by Buyer or its Affiliates or assignee with the Securities and Exchange Commission (the "***SEC***") pursuant to the Securities Act of 1933 (as amended, the "***Securities Act***"), or in materials relating to a securities offering under Rule 144A of the Securities Act, and that such financial statements may be required to be independently audited (together with any supplementary oil and gas information required by ASC 932-235, the "***Requisite Financial Statement Information***"). From and after the Closing Date and for two years after Closing, Seller shall maintain, and, at Buyer's request (and at Buyer's sole cost and expense), provide Buyer (or its applicable Affiliate, successor or assignee) and its auditor reasonable access during normal business hours to, any financial information and records (to the extent that such information is available) and personnel of Seller and its Affiliates (the "***Seller Group***") and use commercially reasonable efforts to, at Buyer's sole cost and expense, provide reasonable access during normal business hours to Seller Group's accounting firm, in each case, as Buyer (or its applicable Affiliate, successor or assignee) may reasonably request for the sole purpose of Buyer (or its applicable Affiliate, successor or assignee) and its auditor, and its representatives, creating and, to the extent required by Law, auditing, the Requisite Financial Statement Information; *provided*, that Seller's commercially reasonable efforts shall be without the obligation to expend any monies or undertake any obligations (other than the obligation to request access). Notwithstanding anything to the contrary, (i) Seller shall in no event be required to create new records or financial statements relating to the Conveyed Interests or otherwise and (ii) the access to be provided to Buyer shall not interfere with Seller's ability to prepare its own financial statements or its regular conduct of business. Seller and its Affiliates shall not be required to (A) deliver or cause the delivery of any legal opinions or make any representations in connection with such cooperation described herein, (B) take any action that Seller reasonably believes could result in a violation of applicable Law, Seller's, or such Affiliate's, organization documents, any contractual obligation or any confidentiality arrangement or the waiver of any legal or other applicable privilege, (C) agree to pay any fees, reimburse any expenses, incur any costs or Liabilities (unless Buyer has advanced the funds necessary to cover such expenses, costs or Liabilities) or give any indemnities; *provided*, *however*, nothing in this *clause (C)* shall be construed to limit Seller's express obligations set forth in this *Section 9.15* or (D) be a party to any agreement, certificate, instrument or other document with respect to the Buyer's debt or equity financings.

(b) Upon request of Buyer, Seller shall request the external audit firm that audits the Requisite Financial Statement Information to consent to the inclusion or incorporation by reference of its audit opinion with respect to the audited financial statements included in the Requisite Financial Statement Information in any such registration statement, report or other document. Seller shall use its commercially reasonable efforts to, at Buyer's sole cost and expense, provide Buyer and Buyer's independent accountants with access to (i) audit work papers of the Seller Group's independent accountants and (ii) management representation letters delivered by any member of the Seller Group, as applicable, or on behalf of Seller Group to the Seller Group's independent accountants; *provided*, *however*, that Seller's commercially reasonable efforts shall not include the obligation to expend any monies or undertake any obligations (other than the obligation to request access).

(c) Buyer shall be responsible for, and obligated to promptly reimburse Seller for, all reasonable costs and expenses (including third person or internal resources and personnel) incurred by Seller or its Affiliates to the extent associated with preparing and obtaining the Requisite Financial Statement Information and otherwise complying with this *Section 9.15*.

(d) All of the information provided by Seller pursuant to this *Section 9.15* is given without any representation or warranty, express or implied, and no member of Seller Group shall have any liability or responsibility with respect thereto.

(e) Buyer shall indemnify Seller, its respective Affiliates, Seller's and each of its Affiliates' respective directors, managers, officers, stockholders, partners, members, employees and representatives, each member of Seller Group, and each of their respective heirs, successors and permitted assigns, each in their capacity as such, from, against and in respect of any losses or other Liabilities imposed on, sustained, incurred or suffered by, or asserted against, any of them, whether in respect of Third Party claims, direct claims or otherwise, directly or indirectly relating to, arising out of or resulting from the provision to or use by Buyer, any of its Affiliates or Representatives of information utilized in connection with the preparation or audit of the Requisite Financial Statement Information or otherwise pursuant to this *Section 9.15* to the fullest extent permitted by applicable Law, in each case, except in the case of Fraud and the foregoing obligations shall survive termination of this Agreement for a period of ten years after the Closing.

(f) Except to the extent included in any filings made pursuant to the Securities Act or the Securities Exchange Act of 1934, as amended, Buyer agrees to hold all information provided or made available to Buyer and its Affiliates pursuant to this *Section 9.15* and that is not otherwise part of or related to the Conveyed Interests that are conveyed to Buyer pursuant to the provisions of this Agreement confidential and agrees not to use any such information other than in connection with the preparation of any such filings.

ARTICLE X
BUYER'S CONDITIONS TO CLOSING

The obligations of Buyer to consummate the transactions provided for in this Agreement are subject, at the option of Buyer, to the satisfaction (or waiver in writing by Buyer), on or prior to Closing of each of the following conditions precedent:

10.1 ***Representations***. The representations and warranties of Seller set forth in *Article VII* (a) that are not Specified Representations shall be true and correct (without regard to materiality or Material Adverse Effect qualifiers) on and as of the Closing Date as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date), except for those breaches, if any, of such representations and warranties that would not, individually or the aggregate, reasonably be expected to result in a Material Adverse Effect and (b) that are Specified Representations shall be true and correct on and as of the Closing Date as though such representations and warranties had been made or given on and as of the Closing Date.

10.2 ***Performance***. Seller shall have performed or complied with all material obligations, agreements, and covenants contained in this Agreement in all material respects as to which performance or compliance by Seller is required prior to or at the Closing Date.

10.3 ***No Legal Proceedings***. No material suit, action, litigation or other Proceeding instituted by any Third Party seeking to restrain, prohibit, enjoin, or declare illegal the transactions contemplated by this Agreement shall be pending before any Governmental Authority.

10.4 ***Title Defects; Environmental Defects; Required Consents; Preferential Purchase Rights; Casualty Losses; Other Excluded Conveyed Interests***. Subject to the Individual Title Defect Threshold and the Individual Environmental Threshold, as applicable, without duplication, the sum of (i) the amount by which (x) the sum of all Title Defect Amounts determined pursuant to *Section 5.3(g)* with respect to Title Defects asserted in any Title Defect Notice submitted on or before the Title Defect Claim Date and agreed to by the Parties prior to the Closing or if not so agreed prior to the Closing, as finally determined pursuant to *Section 5.3(k)* less (y) the sum of all Title Benefit Amounts determined pursuant to *Section 5.3(h)* with respect to Title Benefits asserted in a Title Benefit Notice submitted on or before the Title Defect Claim Date and agreed to by the Parties prior to Closing, or if not so agreed prior to Closing, as finally determined pursuant to *Section 5.3(k)*, exceeds the Title Defect Deductible, (ii) the amount by which all Remediation Amounts for Environmental Defects Properties determined pursuant to *Section 6.1(a)* (other than any Conveyed Interests withheld from the assignment at Closing under *Section 6.1(c)(ii)*) with respect to Environmental Defects asserted by Buyer on or before the Environmental Defect Claim Date and agreed to by the Parties prior to the Closing or if not so agreed prior to the Closing, as finally determined pursuant to *Section 6.1(g)* exceeds the Environmental Defect Deductible, (iii) the aggregate amount of all Casualty Losses determined pursuant to *Section 5.4*, (iv) the Allocated Value of any Conveyed Interests excluded at Closing pursuant to *Section 5.5(a)*, *Section 5.5(b)(i)* or *Section 6.1(c)(ii)* and (v) the aggregate amount of all Allocated Values for Conveyed Interests which are excluded from the transaction due to Seller's denial of Buyer's reasonable Phase II ESA request pursuant to *Section 4.1(b)*, shall be less than 20% of the unadjusted Purchase Price.

10.5 ***Closing Deliverables***. Seller shall have delivered (or be ready, willing and able to deliver at Closing) to Buyer the documents and other items required to be delivered by Seller under *Section 12.3*.

10.6 ***Regulatory Approvals***. All Regulatory Approvals shall have been received or satisfied.

ARTICLE XI
SELLER'S CONDITIONS TO CLOSING

The obligations of Seller to consummate the transactions provided for in this Agreement are subject, at the option of Seller, to the satisfaction (or waiver by Seller), on or prior to Closing of each of the following conditions precedent:

11.1 ***Representations***. The representations and warranties of Buyer set forth in *Article VIII* (a) that are qualified by materiality qualifiers shall be true and correct in all respects (such qualifiers by their terms shall be applicable for purposes of this *Section 11.1*), and (b) that are not qualified by materiality qualifiers shall be true and correct in all material respects, in each case, on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date).

11.2 ***Performance***. Buyer shall have performed or complied with all material obligations, agreements, and covenants contained in this Agreement in all material respects as to which performance or compliance by Buyer is required prior to or at the Closing Date.

11.3 ***No Legal Proceedings***. No material suit, action, litigation or other Proceeding instituted by any Third Party seeking to restrain, prohibit, or declare illegal the transactions contemplated by this Agreement shall be pending before any Governmental Authority.

11.4 ***Title Defects; Environmental Defects; Required Consents; Preferential Purchase Rights; Casualty Losses; Other Excluded***

Conveyed Interests. Subject to the Individual Title Defect Threshold and the Individual Environmental Threshold, as applicable, without duplication, the sum of (i) the amount by which (x) the sum of all Title Defect Amounts determined pursuant to *Section 5.3(g)* with respect to Title Defects asserted in any Title Defect Notice submitted on or before the Title Defect Claim Date and agreed to by the Parties prior to the Closing or if not so agreed prior to the Closing, as finally determined pursuant to *Section 5.3(k)* less (y) the sum of all Title Benefit Amounts determined pursuant to *Section 5.3(h)* with respect to Title Benefits asserted in a Title Benefit Notice submitted on or before the Title Defect Claim Date and agreed to by the Parties prior to Closing, or if not so agreed prior to Closing, as finally determined pursuant to *Section 5.3(j)* exceeds the Title Defect Deductible, (ii) the amount by which all Remediation Amounts for Environmental Defects Properties determined pursuant to *Section 6.1(a)* (other than any Conveyed Interests withheld from the assignment at Closing under *Section 6.1(c)(ii)*) with respect to Environmental Defects asserted by Buyer on or before the Environmental Defect Claim Date and agreed to by the Parties prior to the Closing or if not so agreed prior to the Closing, as finally determined pursuant to *Section 6.1(g)* exceeds the Environmental Defect Deductible, (iii) the aggregate amount of all Casualty Losses determined pursuant to *Section 5.4* and (iv) the Allocated Value of any Conveyed Interests excluded at Closing pursuant to *Section 5.5(a)*, *Section 5.5(b)(i)* or *Section 6.1(c)(ii)*, shall be less than 20% of the unadjusted Purchase Price.

11.5 ***Closing Deliverables***. Buyer shall have delivered (or be ready, willing and able to deliver at Closing) to Seller the Closing Payment, the documents and other items required to be delivered by Buyer under *Section 12.3*.

11.6 ***Regulatory Approvals***. All Regulatory Approvals shall have been received or satisfied.

ARTICLE XII
CLOSING

12.1 ***Date of Closing***. Subject to the conditions stated in this Agreement, the sale by Seller and the purchase by Buyer of the Conveyed Interests pursuant to this Agreement (the "***Closing***") shall occur on the date that is 120 days after the Execution Date, or such other date as Buyer and Seller may agree upon in writing (such date, the "***Scheduled Closing Date***," unless extended pursuant to *Section 14.1(b)*). The date on which the Closing actually occurs shall be the "***Closing Date.***"

12.2 ***Place of Closing***. Closing shall be held at the offices of Seller at 333 W. Sheridan Ave, Oklahoma City, OK 73102-5010, or such other location as Buyer and Seller may agree upon in writing.

12.3 ***Closing Obligations***. At Closing, the following documents shall be delivered and the following events shall occur, the execution of each document and the occurrence of each event being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Seller and Buyer shall execute, acknowledge, and deliver the DEPCO Assignment, in sufficient counterparts to facilitate recording in the applicable counties where the Conveyed Interests are located, covering all of the Conveyed Interests other than the Conveyed Interests conveyed pursuant to the SWGP Assignment, the DEC Assignment, the DGS Assignment, the DGS Surface Deed, the Deeds and the Assignment of Water Disposal JV Interests;

(b) Seller shall cause (i) SWGP to, and Buyer shall, execute, acknowledge, and deliver the SWGP Assignment, in sufficient counterparts to facilitate recording in the applicable counties where the Conveyed Interests owned or held by SWGP are located, (ii) DEC to, and Buyer shall, execute, acknowledge, and deliver the DEC Assignment, in sufficient counterparts to facilitate recording in the applicable counties where the Conveyed Interests owned or held by DEC are located and (iii) DGS to, and Buyer shall, execute, acknowledge, and deliver the DGS Assignment, in sufficient counterparts to facilitate recording in the applicable counties where the Conveyed Interests owned or held by DGS are located;

(c) Seller and Buyer shall execute and deliver assignments, on appropriate forms, of federal Leases and state Leases comprising portions of the Conveyed Interests, if any, in sufficient counterparts to facilitate filing with the applicable Governmental Authority;

(d) Seller and Buyer shall execute, acknowledge and deliver the Mineral Deed and Surface Deed conveying the Fee Minerals and the Surface Fee Interests, respectively, in sufficient counterparts to facilitate recording in the applicable counties;

(e) Seller shall cause DGS to, and Buyer shall, execute, acknowledge, and deliver the DGS Surface Deed conveying the DGS Surface Fee Interests, in sufficient counterparts to facilitate recording in the applicable counties;

(f) Seller and Buyer shall execute and deliver the Preliminary Settlement Statement;

(g) Buyer shall deliver to Seller, to the account designated in the Preliminary Settlement Statement, by direct bank or wire transfer in same day funds, the Closing Payment (the amount of the Deposit will be applied by Seller to the Purchase Price effective as of the Closing);

(h) Buyer and Seller shall execute and deliver joint written instructions to the Escrow Agent to distribute the Deposit to Seller;

(i) Seller shall execute and deliver, on forms supplied by Buyer and reasonably acceptable to Seller, transfer orders or letters in lieu thereof directing all purchasers of production to make payment to Buyer of proceeds attributable to production from the Conveyed Interests from and after the Effective Time, for delivery by Buyer to the purchasers of production;

(j) Seller (or its regarded owner for U.S. federal income tax purposes) shall, and Seller shall cause SWGP (or its regarded owner for U.S. federal income tax purposes), DEC and DGS to, deliver executed certificates of non-foreign status that meet the requirements set forth in Treasury Regulation §

1.1445-2(b)(2) (and in connection with Seller's disposition of the Tarrant Salt Water Disposal Joint Venture, that meet the requirements of an Internal Revenue Service Form W-9 or other certificate that excuses withholding under Section 1446(f) of the Code);

(k) to the extent required under any Law or Governmental Authority, Seller and Buyer shall deliver federal and state change of operator forms designating Buyer as the operator of the Subject Properties currently operated by Seller or any of its Affiliates;

(l) an authorized officer of Seller shall execute and deliver a certificate, dated as of Closing Date, certifying that the conditions set forth in *Section 10.1* and *Section 10.2* have been fulfilled and, if applicable, any exceptions to such conditions that have been waived by Buyer;

(m) an authorized officer of Buyer shall execute and deliver a certificate, dated as of Closing, certifying that the conditions set forth in *Section 11.1* and *Section 11.2* have been fulfilled and, if applicable, any exceptions to such conditions that have been waived by Seller;

(n) Seller and Buyer shall execute and deliver the License Agreement covering Seller's rights to geological and geophysical data set forth on *Exhibit O-1*;

(o) Seller and Buyer shall execute, acknowledge, and deliver the Assignment of Water Disposal JV Interests;

(p) (i) SWGP and Buyer shall execute, acknowledge, and deliver any T-4B pipeline transfer certification(s) to transfer responsibility for operating the applicable Conveyed Interests to Buyer and (ii) Buyer shall provide written evidence that Buyer has obtained a valid, active Form P-5 organizational registration from the Railroad Commission of Texas and posted any associated financial assurance required to operate the applicable Conveyed Interests;

(q) (i) Buyer shall execute and deliver the EnLink Agreements and (ii) Seller shall cause the EnLink Entities to execute and deliver the EnLink Agreements; *provided* that, Seller shall not be obligated to expend any monies or undertake any obligation or accommodation in connection therewith;

(r) Buyer shall deliver any instruments and documents required by *Section 9.3*;

(s) Buyer shall deliver the Defect Escrow Amount, if any, into the Escrow Account;

(t) Seller and Buyer shall execute and deliver the Transition Services Agreement;

(u) Seller shall deliver the certificates of title for the transfer and conveyance of title to the vehicles and trailers set forth on *Exhibit H-2* to the extent such certificates are in Seller's possession at Closing, and, if not, promptly following Closing; and

(v) Seller and Buyer shall execute and deliver any other agreements, instruments and documents that are required by other terms of this Agreement to be executed and/or delivered at Closing or reasonably necessary to effectuate the transactions contemplated by this Agreement.

12.4 ***Records***. In addition to the obligations set forth under *Section 12.3* above, but notwithstanding anything in this Agreement to the contrary, no later than 30 days following the Closing Date, Seller shall make available to Buyer the Records in their current form and format as maintained by Seller as of the Effective Time, for pickup from Seller's offices during normal business hours; *provided* that Seller may retain written or electronic copies of the Records; *provided*, *further* that Seller shall not be required to conduct processing, conversion, compiling or any other further work with respect to the delivery of the Records pursuant to this *Section 12.4*.

ARTICLE XIII
ASSUMPTION; INDEMNIFICATION; SURVIVAL

13.1 ***Assumption by Buyer; Specified Obligations***.

(a) Subject to, and without limitation of Buyer's express rights to indemnity (or any of its express rights to reimbursement of any costs and/or expenses) under this Agreement or any other Transaction Document, from and after Closing, Buyer shall assume and hereby agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid and discharged) all Liabilities of Seller and its Affiliates, known or unknown, arising from, based upon, related to or associated with the Conveyed Interests, including the use, ownership, or operation thereof, in each case, regardless of whether such Liabilities arose prior to, at or after the Effective Time, including obligations to (i) furnish makeup gas and/or settle Imbalances according to the terms of applicable gas sales, processing, gathering or transportation Contracts, (ii) pay working interests, Burdens and other interest owners' revenues or proceeds attributable to sales of Hydrocarbons (including the methodology for calculating the same utilized by Buyer from and after the Closing), including the Suspense Funds (if, and solely to the extent, (x) such Suspense Funds are assigned, conveyed and transferred to Buyer or accounted for in accordance with *Section 9.8* and (y) such Suspense Funds are in an amount that is sufficient to pay to the applicable Third Party(ies) the full amount(s) owed to such Third Party(ies) related thereto), (iii) pay the applicable Governmental Authority any amounts subject to escheat obligations pursuant to applicable Law, (iv) Decommission the Conveyed Interests (the "***Decommissioning Obligations***"), including those Wells and/or Other Wells that are required by Law, any Governmental Authority, Leases or Applicable Contracts to be plugged and/or abandoned as of the Effective Time, (v) subject to, and without limitation of, the Parties' respective rights, remedies, obligations and Liabilities set forth in *Article VI* and Seller's representations and warranties set forth in *Section 7.18* (and Seller's indemnity obligations related thereto), relating to all of Buyer's Environmental Liabilities and to clean up, restore and/or Remediate the premises covered by or related to the Conveyed Interests in accordance with applicable Leases, Rights-of-Way, SWGP Rights-of-Way, DEC Rights-of-Way, Applicable Contracts and Laws, (vi) perform all obligations applicable to or imposed on the lessee, owner, or operator under the applicable Leases and the Applicable Contracts that are assigned, conveyed and/or transferred to Buyer hereunder, or as required by any Law, (vii) collect any accounts receivable transferred by Seller to Buyer at, or in connection with, the Closing pursuant to *Section 2.1(v)*, (viii) perform all applicable obligations under the Applicable Contracts that are conveyed to Buyer as part of the Conveyed Interests and (ix) the matters set forth on *Schedule 9.11* (all of said Liabilities described in this *Section 13.1(a)*, subject to the exclusions below, are referred to in this Agreement as the "***Assumed Obligations***"); *provided*, *however*, that, notwithstanding the foregoing, Buyer has no obligation to assume (and does not assume), and the Assumed Obligations shall not include (or be deemed or construed to include), any Liabilities to the extent that they

are Specified Obligations for which Seller is obligated to indemnify Buyer under *Section 13.2(c)*, as may be limited or excluded by *Section 13.4 or Schedule 13.8*, or to the extent set forth in *clause (iii)* of *Schedule 13.1(b)* (as expressly described in *clause (iii)* of *Schedule 13.1(b)*, including the limitations set forth therein).

(b) The provisions of *Schedule 13.1(b)* are incorporated herein by reference.

13.2 ***Indemnities of Seller***. Effective as of Closing, but subject to the applicable limitations and exclusions set forth in *Section 13.4* and *Schedule 13.8*, Seller shall be responsible for, shall pay on a current basis, and hereby defends, indemnifies, holds harmless and forever releases Buyer and its Affiliates, and all of its and their respective stockholders, partners, members, directors, officers, managers, employees, attorneys, consultants, agents and other Representatives (collectively, the "***Buyer Indemnified Parties***") from and against any and all Liabilities, without duplication, whether or not relating to Third Party Claims (except as otherwise expressly provided in *Schedule 13.1(b)*) or incurred in asserting, preserving or enforcing any of their respective rights hereunder, arising from or based upon:

(a) any breach or inaccuracy of any representation or warranty made by Seller in *Article VII* or in the certificate delivered by Seller pursuant to *Section 12.3(l)*;

(b) any breach, nonfulfillment of or failure to perform by or on behalf of Seller or any of its Affiliates any of Seller's covenants or agreements under this Agreement; or

(c) the Specified Obligations.

13.3 ***Indemnities of Buyer***. Effective as of Closing, Buyer shall assume and be responsible for, shall pay on a current basis, and hereby defends, indemnifies, holds harmless and forever releases Seller and its Affiliates, and all of their respective stockholders, partners, members, directors, officers, managers, employees, attorneys, consultants, agents and other Representatives (collectively, the "***Seller Indemnified Parties***") from and against any and all Liabilities, without duplication, whether or not relating to Third Party Claims or incurred in asserting, preserving or enforcing any of their respective rights hereunder arising from or based upon:

(a) any breach or inaccuracy of any representation or warranty made by Buyer in *Article VIII* or in the certificate delivered by Buyer pursuant to *Section 12.3(m)*;

(b) any breach, nonfulfillment of or failure to perform by or on behalf of Buyer or any of its Affiliates any of Buyer's covenants or agreements under this Agreement; or

(c) the Assumed Obligations.

13.4 ***Limitation on Liability***.

(a) Seller shall not have any Liability for any indemnification under *Section 13.2(a)*, (i) for any individual Liability unless the amount owed or payable by Seller with respect to such Liability exceeds $50,000, and (ii) until and unless the aggregate amount of all Liabilities exceeding the threshold described in *clause (i)* above and for which Claim Notices are delivered by Buyer exceeds the Indemnity Deductible, and then only to the extent such Liabilities exceed the Indemnity Deductible; *provided*, *however*, that the limitations set forth in this *Section 13.4(a)* shall not apply to or otherwise limit any Liability arising out of, or based upon, any breach or inaccuracy of any of the Specified Representations or the Other Representations (or any of Seller's indemnity obligations related thereto).

(b) Notwithstanding anything in this Agreement to the contrary, except with respect to Seller's Liability for indemnity obligations with respect to any breach or inaccuracy of any of its Specified Representations or the Other Representations, Seller shall not be required to indemnify Buyer under *Section 13.2(a)* for aggregate Liabilities in excess of an amount equal to 25% of the unadjusted Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to 25% of the unadjusted Purchase Price less the Allocated Other Working Interest Owner Amount; *provided*, *however*, that the limitations set forth in this *Section 13.4(b)* shall not apply to any Liability (or Seller's related indemnity obligations) arising out of, or based upon, Fraud.

(c) Notwithstanding anything in this Agreement to the contrary, Seller shall not be required to indemnify Buyer under this Agreement for aggregate Liabilities in excess of an amount equal to 100% of the unadjusted Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to 100% of the unadjusted Purchase Price less the Allocated Other Working Interest Owner Amount; *provided*, *however*, that the limitations set forth in this *Section 13.4(c)* shall not apply to any Liability (or Seller's related indemnity obligations) arising out of, or based upon, Fraud.

(d) Notwithstanding anything herein to the contrary, for purposes of determining the indemnity obligations set forth in this *Article XIII*, (i) when determining whether a breach or inaccuracy of any Party's representations or warranties contained in this Agreement has occurred or (ii) when calculating the amount of Liabilities incurred, arising out of or relating to any such breach or inaccuracy of any such representation or warranty by either Party, in each case, all references to materiality, material adverse effect and other similar qualifications (or correlative terms) contained in such representation or warranty shall be disregarded.

13.5 ***Express Negligence***. THE DEFENSE, INDEMNIFICATION, HOLD HARMLESS, RELEASE, ASSUMED OBLIGATIONS AND LIMITATION OF LIABILITY PROVISIONS PROVIDED FOR IN THIS AGREEMENT SHALL BE APPLICABLE WHETHER OR NOT THE LIABILITIES IN QUESTION AROSE OR RESULTED SOLELY OR IN PART FROM THE GROSS, SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW OF OR BY ANY INDEMNIFIED PARTY. BUYER AND SELLER ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS "CONSPICUOUS."

13.6 ***Exclusive Remedy***. Notwithstanding anything in this Agreement to the contrary, except in the case of Fraud, from and after Closing, *Sections 4.1(c), 4.1(d), 5.5(b)*, *5.5(c)*, *9.3, 9.15*, *13.2* and *13.3*, the Special Warranty set forth in the Assignments and Deeds (as, and to the extent, limited by *Section 5.2(b)*), the covenants that are to be performed after Closing by the express terms thereof (and the Parties' respective rights and remedies related thereto), contain the Parties' exclusive remedies against each other with respect to the transactions contemplated hereby, including breaches of the representations, warranties, covenants and agreements of the Parties contained in this Agreement or in any document or certificate delivered pursuant to this Agreement. Except in the case of Fraud or as specified in *Sections 4.1(c), 4.1(d), 5.5(b)*, *5.5(c)*, *9.3, 9.15*, *13.2* and *13.3*, as applicable, and the Special Warranty in the Assignments and Deeds, as applicable (as, and to the extent, limited by *Section 5.2(b)*), effective as of Closing, each Party, on its own behalf and on behalf of the Buyer Indemnified Parties or Seller Indemnified Parties, as applicable, hereby releases, remises and forever discharges the other Party and its Affiliates and all of such Persons' equityholders, partners, members, directors, officers, employees, agents, advisors, and representatives from any and all suits, legal or administrative proceedings, claims, demands, damages, losses, costs, Liabilities, interest or causes of action whatsoever, at law or in equity, known or unknown, which such Party or its Indemnified Parties might now or subsequently have, based on, relating to or arising out of this Agreement, the transactions contemplated by this Agreement, the ownership, use or operation of any of the Conveyed Interests or the Subject Properties prior to Closing or the condition, quality, status or nature of any of the Conveyed Interests or the Subject Properties prior to Closing, including rights to contribution under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and any similar Environmental Law, breaches of statutory or implied warranties, nuisance or other tort actions, rights to punitive damages, common law rights of contribution and rights under insurance maintained by such Party or any of its Affiliates (except as provided in *Section 5.4*).

13.7 ***Indemnification Procedures***. All claims for indemnification under *Sections 4.1(c), 5.5(b)*, *5.5(c)*, *9.3, 9.15*, *13.2 and 13.3* shall be asserted and resolved as follows:

(a) For purposes of *Sections 4.1(c)* and *9.3*, and this *Article XIII*, the term "***Indemnifying Party***" when used in connection with particular Liabilities shall mean the Party or Parties having an obligation to indemnify another Party and/or other Person(s) with respect to such Liabilities pursuant to *Sections 4.1(c)* and *9.3*, or this *Article XIII*, and the term "***Indemnified Party***" when used in connection with particular Liabilities shall mean the Party and/or other Person(s) having the right to be indemnified with respect to such Liabilities by the Indemnifying Party pursuant to *Sections 4.1(c)* and *9.3*, or this *Article XIII*.

(b) To make a claim for indemnification under *Sections 4.1(c)*, *5.5(b)*, *5.5(c)*, *9.3*, *9.15*, *13.2* or *13.3*, an Indemnified Party shall promptly notify the Indemnifying Party in writing of its claim under this *Section 13.7*, including, the specific details of and specific basis under this Agreement for its claim (the "***Claim Notice***"). In the event that the claim for indemnification is based upon a claim by a Third Party against the Indemnified Party (a "***Third Party Claim***"), the Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; *provided* that the failure of any Indemnified Party to give notice of a Third Party Claim as provided in this *Section 13.7(b)* shall not relieve the Indemnifying Party of its obligations under *Sections 4.1(c)*, *5.5(b)*, *5.5(c)*, *9.3*, *9.15*, *13.2* or *13.3* (as applicable) except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Third Party Claim or otherwise materially prejudices the Indemnifying Party's ability to defend against the Third Party Claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement that was inaccurate or breached.

(c) In the case of a claim for indemnification based upon a Third Party Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to notify the Indemnified Party whether it admits or denies its obligation to defend and indemnify the Indemnified Party against such Third Party Claim at the sole cost and expense of the Indemnifying Party. The Indemnified Party is authorized, prior to and during such 30-day period, at the expense of the Indemnifying Party, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party admits its obligation to defend and indemnify the Indemnified Party against a Third Party Claim, it shall have the right and obligation to diligently defend and indemnify, at its sole cost and expense, the Indemnified Party against such Third Party Claim. Subject to this *Section 13.7(d)*, the Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate in contesting any Third Party Claim which the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, at its own expense (except for and excluding any Third Party Claim which is finally determined to be covered under Seller's indemnification obligations set forth in *clause (xi)* of *Schedule 13.1(b)*), any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this *Section 13.7(d)*. An Indemnifying Party shall not, without the written consent of the Indemnified Party, (i) settle any Third Party Claim or consent to the entry of any judgment with respect thereto which does not include an unconditional written release of the Indemnified Party from all Liability in respect of such Third Party Claim or (ii) settle any Third Party Claim or consent to the entry of any judgment with respect thereto in any manner that may materially and adversely affect the Indemnified Party (other than as a result of money damages covered by the indemnity).

(e) If the Indemnifying Party does not admit its obligation, or admits its obligation to defend and indemnify the Indemnified Party against a Third Party Claim but fails to diligently prosecute, indemnify against or settle such Third Party Claim, then the Indemnified Party shall have the right to defend against the Third Party Claim at the sole cost and expense of the Indemnifying Party, with counsel of the Indemnified Party's choosing, subject to the right of the

Indemnifying Party to admit its liability and assume the defense of the Third Party Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its obligation to defend and indemnify the Indemnified Party against a Third Party Claim, the Indemnified Party shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for ten days following receipt of such notice to (i) admit in writing its obligation to indemnify the Indemnified Party from and against the liability and consent to such settlement, (ii) if liability is so admitted, reject, in its reasonable judgment, the proposed settlement, or (iii) deny liability. Any failure by the Indemnifying Party to respond to such notice shall be deemed to be an election under subsection (iii) above.

(f) In the case of a claim for indemnification not based upon a Third Party Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to (i) cure the Liabilities complained of, (ii) admit its liability for such Liability or (iii) dispute the claim for such Liabilities. If the Indemnifying Party does not notify the Indemnified Party within such 30-day period that it has cured the Liabilities or that it disputes the claim for such Liabilities, the Indemnifying Party shall be deemed to dispute the claim for such Liabilities.

(g) Notwithstanding anything to the contrary in this Agreement, except as provided in *clause (iv)* of *Schedule 13.1(b)*, the Parties acknowledge and agree that an Indemnified Party shall have the right (in its discretion) to assert, without duplication of recovery with respect to the same claim, a claim under applicable clause of *Section 13.2* or *Section 13.3*, as applicable, even if such claim could be brought under, or is foreclosed from being brought under, any other clause of *Section 13.2* or *Section 13.3*, as applicable, for any reason.

13.8 ***Survival***. The provisions of *Schedule 13.8* are incorporated herein by reference.

13.9 ***Non-Compensatory Damages***. None of the Buyer Indemnified Parties nor Seller Indemnified Parties shall be entitled to recover from Seller or Buyer, or their respective Affiliates, any special, indirect, consequential, punitive, exemplary, remote or speculative damages, or damages for lost profits of any kind arising under or in connection with this Agreement or the transactions contemplated hereby, except to the extent any such Party suffers such damages to a Third Party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder. Subject to the preceding sentence, Buyer, on behalf of each of the Buyer Indemnified Parties, and Seller, on behalf of each of the Seller Indemnified Parties, waive any right to recover special, indirect, consequential, punitive, exemplary, remote or speculative, or damages for lost profits of any kind, arising under or in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything to the contrary in this *Section 13.9* or any other provision of this Agreement, nothing in this *Section 13.9* shall be construed as limiting any Person's ability to recover any direct damages (including lost profits that are direct damages) as provided under Texas law.

13.10 ***Waiver of Right to Rescission***. Seller and Buyer acknowledge that, following Closing, the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained in this Agreement or for any other claim arising in connection with or with respect to the transactions contemplated by this Agreement. As the payment of money shall be adequate compensation, following Closing, Buyer and Seller waive any right to rescind this Agreement or any of the transactions contemplated hereby.

13.11 ***Treatment of Indemnification Payments***. For all Tax purposes, Buyer and Seller agree to treat (and will cause each of their respective Affiliates to treat) any indemnification payment made under this *Article XIII* as an adjustment to the Purchase Price.

13.12 ***Disclaimer of Application of Anti-Indemnity Statutes***. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PROVISIONS OF ANY ANTI-INDEMNITY STATUTE RELATING TO OILFIELD SERVICES AND ASSOCIATED ACTIVITIES SHALL NOT BE APPLICABLE TO THIS AGREEMENT AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE XIV
TERMINATION, DEFAULT AND REMEDIES

14.1 ***Right of Termination***. This Agreement and the transactions contemplated in this Agreement may be terminated at any time prior to Closing by delivery of written notice to the other Party:

(a) by the mutual prior written consent of Seller and Buyer;

(b) by either Seller or Buyer if Closing has not occurred on or before the 31 st day after the Scheduled Closing Date (or such later date as agreed to in writing by Seller and Buyer); *provided*, *however*, that if (i) Buyer shall have determined not to file with CFIUS pursuant to *Section 9.10(b)*, and (ii) Seller, at Seller's option, determined that a CFIUS filing would be made, and (iii) the conditions set forth in *Sections 10.6 and 11.6* have not been met by the Scheduled Closing Date; and (iv) neither Buyer nor Seller has terminated the Agreement pursuant to *Section 14.1(e)*, then on or before the earlier to occur of (A) the date that is 10 Business Days following CFIUS Approval and (B) the date that is 90 days after the Scheduled Closing Date set forth in *Section 12.1* (the "***CFIUS Closing Date***");

(c) by Seller, at Seller's option, if (i) any of the conditions set forth in *Article XI* (other than *Section 11.4* and *Section 11.6*) have not been satisfied (or waived in writing by Seller) as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable), and, following written notice thereof from Seller to Buyer specifying the reason such condition is unsatisfied (including any breach by Buyer of this Agreement), such condition remains unsatisfied for a period of ten Business Days after Buyer's receipt of written notice thereof from Seller and (ii) as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable), Seller is ready, willing and able (subject to obtaining or satisfying the Regulatory Approvals) to perform all of its agreements contained herein which are to be performed or observed by Seller at or in connection with the Closing;

(d) by Buyer, at Buyer's option, if (i) any of the conditions set forth in *Article X* (other than *Section 10.4* and *Section 10.6*) have not been satisfied (or waived in writing by Buyer) as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable), and, following written notice thereof from Buyer to Seller specifying the reason such condition is unsatisfied (including any breach by Seller of this Agreement), such condition remains unsatisfied for a period of ten Business Days after Seller's receipt of written notice thereof from Buyer and (ii) as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable), Buyer is ready, willing and able (subject to obtaining or satisfying the Regulatory Approvals) to perform all of its agreements contained herein which are to be performed or observed by Buyer at or in connection with the Closing;

(e) by either Seller or Buyer if (i) any Governmental Authority shall have issued a final non-appealable order enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or (ii) CFIUS has informed Seller in a final decision at the end of the investigation time period allowed under the DPA that there is no mitigation that will resolve the identified national security risk associated with the transactions contemplated by this Agreement;

(f) by Buyer if the condition set forth in *Section 10.4* is not satisfied as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable) or by Seller if the condition set forth in *Section 11.4* is not satisfied as of the Scheduled Closing Date (or the CFIUS Closing Date, if applicable); *provided*, *however*, that neither Party shall be entitled to terminate this Agreement pursuant to *Sections 14.1(b)* through *14.1(e)* above if such Party or its Affiliates are, at such time, in material breach of this Agreement.

14.2 ***Effect of Termination***.

(a) If this Agreement, including the obligation to close the transactions contemplated hereby, is terminated pursuant to any provision of *Section 14.1* hereof, then, except for the provisions of *Article I*, *Sections 4.1(c)* through *4.1(e)*, *4.2*, *4.3*, *9.6(a)*, *9.15*, *13.9*, this *Section 14.2*, *Section 14.3*, *Article XV* (other than *Sections 15.2(a)* through *(g)*, *15.7*, *15.8*, *15.16*, and *15.18*) and such of the defined terms in *Appendix I* to give context to the surviving provisions, this Agreement shall forthwith become void and the Parties shall have no Liability or obligation hereunder.

(b) If Seller has the right to terminate this Agreement pursuant to *Section 14.1(c)* because a condition set forth in *Sections 11.1*, *11.2*, or *11.5* has not been satisfied, (A) all of the conditions in *Article X* (excluding (i) conditions that, by their terms, cannot be satisfied until the Closing and (ii) the condition set forth in *Section 10.6*) have been satisfied (or waived in writing by Buyer) (unless the failure to satisfy such condition arises from the action or inaction by Buyer or any Buyer Indemnified Party) and (B) Seller is ready, willing and able (subject to obtaining or satisfying the Regulatory Approvals) to perform its obligations under *Section 12.3*, then, in such event, Seller shall have the right to, at its option, as Seller's sole and exclusive remedy, terminate this Agreement pursuant to *Section 14.1(c)* and Buyer shall be obligated to jointly with Seller instruct the Escrow Agent to disburse the Deposit to Seller as liquidated damages and not as a penalty for such termination, free and clear of any claims thereon by Buyer or any of its Affiliates, and thereafter, all other rights, remedies and obligations of any Party arising under this Agreement (except for the provisions that survive pursuant to *Section 14.2(a)*, which shall remain in full force and effect) are hereby expressly waived by the Parties. THE PARTIES ACKNOWLEDGE AND AGREE THAT (x) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION UNDER *SECTION 14.1(c)* MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (y) THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(b)* AND (z) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

(c) If Buyer has the right to terminate this Agreement pursuant to *Section 14.1(d)* because a condition set forth in *Sections 10.1*, *10.2* or *10.5* has not been satisfied, (A) all of the conditions in *Article XI* (excluding (i) conditions that, by their terms, cannot be satisfied until the Closing and (ii) the condition set forth in *Section 11.6*) have been satisfied (or waived in writing by Seller) (unless the failure to satisfy such condition arises from the action or inaction by Seller or any Seller Indemnified Party) and (B) Buyer is ready, willing and able (subject to obtaining or satisfying the Regulatory Approvals) to perform its obligations under *Section 12.3*, then, in such event, Buyer shall have the right, at its option, to (i) in lieu of terminating this Agreement, to obtain all remedies available at law or in equity, including specific performance by Seller or (ii) terminate this Agreement by written notice to Seller and Seller shall be obligated to jointly with Buyer instruct the Escrow Agent to disburse the Deposit to Buyer, free and clear of any claims thereon by, through or under Seller or any of its Affiliates, and thereafter, all other rights, remedies and obligations of any Party arising under this Agreement (except for the provisions that survive pursuant to *Section 14.2(a)*, which shall remain in full force and effect) are hereby expressly waived by the Parties. Seller hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to specifically enforce the terms and provisions of this Agreement pursuant to this *Section 14.2(c)*. Buyer shall not be required to provide any bond or other security in connection with seeking an injunction or injunctions to enforce specifically the terms and provisions of this Agreement pursuant to this *Section 14.2(c)*.

(d) Without limitation of any of Buyer's rights or remedies under *Section 14.2(c)* above, in the event that (i) this Agreement is terminated under *Section 14.1* and (ii) Seller is not entitled to receive the (y) Deposit under *Section 14.2(b)* or (z) CFIUS Termination Fee under *Section 14.2(e)*, then Seller and Buyer shall, within two (2) Business Days of the date of such termination, jointly instruct the Escrow Agent to disburse to Buyer the Deposit, free and clear of any claims thereon by, through or under Seller or any of its Affiliates. For the avoidance of doubt, if the Agreement is terminated by either Party (A) pursuant to *Section 14.1(f)* or (B) any other provision set forth in *Section 14.1* and at the time of such termination the conditions set forth in *Section 10.4* or *Section 11.4* are not satisfied, then, notwithstanding the foregoing, Seller and Buyer shall, within two (2) Business Days of the date of such termination, jointly instruct the Escrow Agent to disburse to Buyer the Deposit, free and clear of any claims thereto by, through or under Seller or any of its Affiliates.

(e) If (i) Seller or Buyer terminates this Agreement pursuant to *Section 14.1(e)* or (ii) Seller or Buyer terminate this Agreement pursuant to *Section 14.1(b)* and *Section 10.6* (as it relates to CFIUS) and *Section 11.6* (as it relates to CFIUS) have not been satisfied, then Seller and Buyer shall, within two (2) Business Days of the date of such termination, jointly instruct the Escrow Agent to disburse to Seller the Deposit as the CFIUS Termination Fee as Seller's sole and exclusive remedy for such termination as liquidated damages and not as a penalty, free and clear of any claims thereon by, through or under Buyer or any of its Affiliates. THE PARTIES ACKNOWLEDGE AND AGREE THAT (x) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION DESCRIBED IN THE FIRST SENTENCE OF THIS *SECTION 14.2(E)*, MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (y) THE CFIUS TERMINATION FEE IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(E)* AND (z) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

14.3 ***Return of Documentation and Confidentiality***. Upon termination of this Agreement, Buyer shall destroy or return to Seller all title, engineering, geological and geophysical data, environmental assessments and/or reports, maps and other information furnished by or on behalf of Seller to Buyer or prepared by or on behalf of Buyer in connection with its due diligence investigation of the Conveyed Interests, in each case, in accordance with the Confidentiality Agreement and, if Buyer elects to destroy any such information, an officer of Buyer shall certify the destruction of such information to Seller in writing.

ARTICLE XV
MISCELLANEOUS

15.1 ***Appendices, Exhibits and Schedules***. All of the Appendices, Exhibits and Schedules referred to in this Agreement are hereby incorporated into this Agreement by reference and constitute a part of this Agreement. Each Party to this Agreement and its counsel have received a complete set of Appendices, Exhibits and Schedules prior to and as of the execution of this Agreement.

15.2 ***Expenses and Taxes***. Except as otherwise specifically provided in this Agreement, all fees, costs and expenses incurred by the Parties in negotiating this Agreement or in consummating the transactions contemplated by this Agreement shall be paid by the Party incurring the same, including legal and accounting fees, costs and expenses.

(a) Seller shall be allocated and bear all Asset Taxes attributable to any Tax period (or portion of any Straddle Period) ending prior to the Effective Time, and Buyer shall be allocated and bear all Asset Taxes attributable to any Tax period (or portion of any Straddle Period) that begins at or after the Effective Time.

(b) For purposes of determining the allocations in *Section 15.2(b)*, (i) Asset Taxes that are attributable to the severance or production of Hydrocarbons (other than such Asset Taxes described in *clause (iii)*, below) shall be allocated to the period in which the severance or production giving rise to such Asset Taxes occurred, (ii) Asset Taxes that are based upon or related to sales or receipts or imposed on a transactional basis (other than such Asset Taxes described in *clause (i)* or *(iii)*), shall be allocated to the period in which the transaction giving rise to such Asset Taxes occurred, and (iii) Asset Taxes that are ad valorem, property or other Asset Taxes imposed on a periodic basis pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Time and the portion of such Straddle Period beginning at the Effective Time by prorating each such Asset Tax based on the number of days in the applicable Straddle Period that occur before the date on which the Effective Time occurs, on the one hand, and the number of days in such Straddle Period that occur on or after the date on which the Effective Time occurs, on the other hand. For purposes of *clause (iii)* of the preceding sentence, the period for such Asset Taxes shall begin on the date on which ownership of the applicable Conveyed Interests gives rise to Liability for the particular Asset Tax and shall end on the day before the next such date.

(c) To the extent the actual amount of an Asset Tax is not known at the time an adjustment is to be made with respect to such Asset Tax pursuant to *Section 3.3*, *3.5* or *3.6*, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Asset Tax for purposes of such adjustment. To the extent the actual amount of an Asset Tax (or the amount thereof paid or economically borne by a Party) is ultimately determined to be different than the amount (if any) that was taken into account in the Final Settlement Statement as finally determined pursuant to *Section 3.6*, timely payments will be made from one Party to the other to the extent necessary to cause each Party to bear the amount of such Asset Tax that is allocable to such Party under this *Section 15.2*.

(d) Subject to the Transition Services Agreement:

(i) Subject to *Section 15.2(d)(ii)*, after the Closing Date, Buyer shall (x) be responsible for paying any Asset Taxes relating to any Tax period that ends before or includes the Closing Date that become due and payable after the Closing Date and shall file with the appropriate Taxing Authority any and all Tax Returns required to be filed after the Closing Date with respect to such Asset Taxes, (y) submit each such Tax Return to Seller for its review and comment reasonably in advance of the due date therefor, and (z) timely file any such Tax Return, incorporating any reasonable comments received from Seller prior to the due date therefor.

(ii) Notwithstanding *Section 15.2(d)(i)*, and to the extent permissible under applicable Law, with respect to any Conveyed Interests of which Seller is the operator, Seller shall be responsible for the payment to the applicable Taxing Authority of any severance Asset Taxes through the production month in which the Closing occurs, and the preparation and timely filing of any Tax Return relating to such Asset Taxes, and the payment to the applicable Taxing Authority of any sales or use Asset Taxes attributable to any Tax period (or portion thereof) ending on or prior to the Closing Date, and the preparation and timely filing of any Tax Return relating to such Asset Taxes. Seller shall prepare (or cause to be prepared) in accordance with past practices (unless otherwise required by applicable Law) and file (or cause to be filed) the U.S. federal income Tax Return (and related Schedules K-1) of the Tarrant Salt Walter Disposal Joint Venture for the 2019 Tax period, and to the extent Seller or any of its Affiliates is appointed as the "partnership representative" (as defined in Section 6223 of the Code and the applicable Treasury Regulations) on such Tax Return, such Seller or Affiliate, as applicable, shall use commercially reasonable efforts to make a "push-out" election under Section 6226 of the Code with respect to any imputed underpayment that is asserted with respect to such Tax Return. Buyer shall prepare (or cause to be prepared) in accordance with past practices (unless otherwise required by applicable Law) and file (or cause to be filed) the U.S. federal income Tax Return (and related Schedules K-1) for the 2020 Tax period, allocating all items of income, gain, loss, deduction and credit allocable to the Water Disposal JV Interest between Seller and Buyer based on the "interim closing method" under Section 706 of the Code and the Treasury Regulations thereunder, and Buyer shall submit such Tax Return to Seller for its review and comment reasonably in advance of the due date therefor and timely file any such Tax Return incorporating any reasonable comments received from Seller prior to the due date therefor.

The Parties agree that (x) this *Section 15.2(d)* is intended to solely address the timing and manner in which certain Tax Returns relating to Asset Taxes are filed and the Asset Taxes shown thereon are paid to the applicable Taxing Authority, and (y) nothing in this *Section 15.2(d)* shall be interpreted as altering the

manner in which Asset Taxes are allocated to and economically borne by the Parties or a Party's right to indemnification pursuant to *Article XIII* (except for any penalties, interest or additions to Tax imposed as a result of any breach by a Party of its obligations under this *Section 15.2(d)*, which shall be borne by such Party).

(e) All required documentary, filing and recording fees and expenses in connection with the filing and recording of the assignments, conveyances or other instruments required to convey title to the Conveyed Interests to Buyer shall be borne by Buyer. Any and all sales, use, transfer, stamp, documentary, registration or similar Taxes incurred or imposed with respect to the transactions described in this Agreement (collectively, "***Transfer Taxes***") shall be borne by Buyer; *provided* that Seller shall pay or cause to be paid to the applicable Governmental Authorities any Transfer Taxes that it is required by Law to collect and remit; *provided*, *however*, that Seller shall not collect sales Tax with respect to the transfer of Hydrocarbons in storage pursuant to this Agreement to the extent that Buyer has provided to Seller at or prior to Closing a valid resale certificate establishing such transfer as an exempt sale for resale under applicable Law. Buyer shall indemnify and hold Seller harmless from and against such Transfer Taxes within 30 days of Seller's written demand therefor. If Seller (not Buyer) is required by applicable Law to appeal or protest the assessment of Transfer Taxes, the appeal or protest of such proposed assessment shall be treated as an item for which Seller is entitled to indemnification and if Buyer provides a written request and instructs Seller to do so, Seller shall prosecute the protest or appeal; in such event Buyer shall pay all out-of-pocket expenses of Seller (including attorneys' fees) incurred by Seller in connection with such appeal or protest. Seller and Buyer shall reasonably cooperate in good faith to minimize, to the extent permissible under applicable Law, the amount of any such Transfer Taxes.

(f) The Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation, or other proceeding with respect to Taxes relating to the Conveyed Interests. Such cooperation shall include (i) the retention and (upon another Party's request) the provision of records and information that are relevant to any such Tax Return or audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement, (ii) in connection with the provision of the Preliminary Settlement Statement and Final Settlement Statement, providing to Buyer supporting tax information used in the determination of the Preliminary Settlement Statement and Final Settlement Statement, including ad valorem and property tax information for the 2019 taxable period and the 2020 taxable period (to the extent such information is in Seller's possession at such time and not otherwise in Buyer's possession) identifying the type of property, relevant account numbers, tax collector and appraiser, status of the assessed property, percentage of ownership, taxable values, and the applicable gross tax liability, and (iii) with respect to the 2020 taxable period, prior to the Closing, authorizing Buyer and any of its applicable designees to engage with the applicable Taxing Authority in connection with determination of the values used in the assessment of ad valorem taxes of the Conveyed Interests and providing to Buyer any information reasonably requested by Buyer that is in Seller's possession and relevant to making any such determination. The Parties agree to retain all books and records with respect to Tax matters pertinent to the Conveyed Interests relating to any Tax period beginning before the Closing Date until the later of (1) seven years or (2) the expiration of the statute of limitations of the respective Tax periods and to abide by all record retention agreements entered into with any Governmental Authority.

(g) Seller shall reasonably cooperate with Buyer to cause the Tarrant Salt Water Disposal Joint Venture and any tax partnership identified on *Schedule 7.12* to make a valid election under Section 754 of the Code (and any comparable elections for any applicable state income tax purposes) for the taxable year during which the Closing occurs.

15.3 ***Assignment***. Subject to the provisions of *Section 15.18*, this Agreement may not be assigned by either Party without the prior written consent of the other Party and any such assignment without such consent shall be void ab initio. Notwithstanding the foregoing, Buyer shall have the right to designate an Affiliate of Buyer as an assignee for all or part of the Conveyed Interests to be conveyed by Seller at Closing. No assignment of any rights hereunder by a Party shall relieve such Party of any obligations and responsibilities hereunder. Any assignment or other transfer by Buyer or its successors and assigns of any of the Conveyed Interests shall not relieve Buyer or its successors or assigns of any of their obligations (including indemnity obligations) hereunder, as to the Conveyed Interests so assigned or transferred.

15.4 ***Preparation of Agreement***. Both Seller and Buyer and their respective counsel participated in the preparation of this Agreement. In the event of any ambiguity in this Agreement, no presumption shall arise based on the identity of the draftsman of this Agreement.

15.5 ***Publicity***. Seller and Buyer shall promptly consult with each other with regard to all press releases or other public or private announcements issued or made at or prior to Closing concerning this Agreement or the transactions contemplated in this Agreement, and, except as may be required by applicable Laws or the applicable rules and regulations of any Governmental Authority or stock exchange or as described in the remaining provisions of this *Section 15.5*, neither Buyer nor Seller shall issue any such press release or other public or private announcement without the prior written consent of the other Party (which shall not be unreasonably withheld or delayed). Subject to, and without limitation of, *Section 15.22*, the Parties and their Affiliates shall be obligated to hold all specific terms and provisions of this Agreement strictly confidential until the expiration of two years after the Closing under this Agreement; *provided*, *however*, that the foregoing shall not (a) restrict disclosures by Buyer or Seller that are required by applicable securities or other Laws or regulations or the applicable rules of any stock exchange having jurisdiction over the disclosing Party or its Affiliates; *provided* that such disclosures shall be made only to the extent required thereunder, (b) prevent Buyer or Seller from recording the Assignment, the SWGP Assignment, the DEC Assignment, the DGS Assignment, the DGS Surface Deed, any Deed and any federal or state assignments delivered at Closing or from complying with any disclosure requirements of Governmental Authorities that are applicable to the transfer of the Conveyed Interests from Seller to Buyer, (c) prevent Buyer or Seller from making any disclosure of information relating to this Agreement if made in a manner, under conditions and to Persons that would be permitted under the Confidentiality Agreement so long as such Person continues to hold such information confidential on the same terms as set forth in this *Section 15.5*, and (d) prevent Seller from making disclosures in connection with complying with Preferential Purchase Rights and other transfer restrictions applicable to the transactions contemplated hereby.

15.6 ***Notices***. All notices and communications required or permitted to be given hereunder shall be given in writing and shall be delivered personally, or sent by bonded overnight courier, or mailed by U.S. Express Mail, Federal Express or United Parcel Service Express Delivery or by certified or

registered United States Mail with all postage fully prepaid, or sent by electronic mail ("***email***") transmission (*provided* that the acknowledgment of the receipt of such email is requested and received, excluding automatic receipts) addressed to the appropriate Party at the address for such Party shown below or at such other address as such Party shall have theretofore designated by written notice delivered to the Party giving such notice:

If to Seller:

Devon Energy Production Company, L.P.
333 W. Sheridan Ave
Oklahoma City, OK 73102-5010
Attention: Bobby Saadati, Vice President, Business Development
Email: [***]

With copies to (which shall not constitute notice):

Devon Energy Production Company, L.P.
333 W. Sheridan Ave
Oklahoma City, OK 73102-5010
Attention: Rachel Evans, Counsel
Email: [***]

Devon Energy Production Company, L.P.
333 W. Sheridan Ave
Oklahoma City, OK 73102-5010
Attention: Trent Tarp, Business Development Lead
Email: [***]

If to Buyer:

BKV Barnett, LLC
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Christopher Kalnin, CEO
Email: [***]

With a copy to:

BKV Barnett, LLC
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Lindsay Larrick, General Counsel
Email: [***]

BKV Barnett, LLC
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Matt Johnson, VP of Corporate Development
Email: [***]

Any notice given in accordance herewith shall be deemed to have been given when delivered to the addressee in person, or by courier, or transmitted by email transmission during normal business hours on a Business Day (or if delivered or transmitted after 5:00 pm. Central Time on a Business Day or on a day other than a Business Day, then on the next Business Day), or upon actual receipt by the addressee during normal business hours on a Business Day after such notice has either been delivered to an overnight courier or deposited in the United States Mail or with Federal Express or United Parcel Service, as the case may be (or if delivered after 5:00 p.m. Central Time on a Business Day or on a day other than a Business Day, then on the next Business Day). Either Party may change their contact information for notice by giving written notice to the other Party in the manner provided in this *Section 15.6*. If the date specified in this Agreement for giving any notice or taking any action is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (and the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

15.7 ***Further Cooperation***. Until the 4 year anniversary of Closing, Buyer and Seller shall execute and deliver, or shall cause to be executed and delivered from time to time, such further instruments of conveyance and transfer, and shall take such other actions as any Party may reasonably request to convey and deliver the Conveyed Interests to Buyer, and to accomplish the orderly transfer of the Conveyed Interests to Buyer in the manner contemplated by this Agreement. Subject to, and without limitation of, *Section 2.3*, (a) if any Party receives monies belonging to the other, such amount shall immediately be paid over to the proper Party and (b) if an invoice or other evidence of an obligation is received by a Party, which is partially an obligation of both Seller and Buyer pursuant to this Agreement, then the Parties shall consult with each other, and each shall promptly pay its portion of such obligation to the obligee.

15.8 ***Filings, Notices and Certain Governmental Approvals***. Promptly after Closing and without limiting the Parties' obligations under the Transition Services Agreement to the extent Seller continues to operate the Conveyed Interests pursuant to the Transition Services Agreement, Buyer shall, at its sole expense, (a) record all assignments and deeds, including the Assignments and the Deeds executed at Closing in the records of the applicable Governmental Authority (including any federal or state agencies, if applicable), (b) if applicable, send notices to vendors supplying goods and services for the

Conveyed Interests and to the operator of the applicable Subject Properties of the assignment of the Conveyed Interests to Buyer, (c) actively pursue and obtain the unconditional approval of all applicable Governmental Authorities of the assignment of the Conveyed Interests to Buyer, (d) file and actively pursue approvals from the applicable Governmental Authority of all federal and state change of operator forms set forth in *Section 12.3(k)*, and (e) actively pursue all other consents and approvals that may be required in connection with the assignment of the Conveyed Interests to Buyer and the assumption of the Liabilities assumed by Buyer hereunder, in each case, that shall not have been obtained prior to Closing.

15.9 ***Entire Agreement; Conflicts***. THIS AGREEMENT, THE APPENDICES, EXHIBITS AND SCHEDULES HERETO, THE TRANSACTION DOCUMENTS AND THE CONFIDENTIALITY AGREEMENT COLLECTIVELY CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES PERTAINING TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR AGREEMENTS, UNDERSTANDINGS, NEGOTIATIONS, AND DISCUSSIONS, WHETHER ORAL OR WRITTEN, OF THE PARTIES PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT. THERE ARE NO WARRANTIES, REPRESENTATIONS, OR OTHER AGREEMENTS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND THE SPECIAL WARRANTY SET FORTH IN THE ASSIGNMENTS AND DEEDS, AND NEITHER PARTY SHALL BE BOUND BY OR LIABLE FOR ANY ALLEGED REPRESENTATION, PROMISE, INDUCEMENT, OR STATEMENTS OF INTENTION NOT SO SET FORTH. IN THE EVENT OF A CONFLICT BETWEEN: (a) THE TERMS AND PROVISIONS OF THIS AGREEMENT AND THE TERMS AND PROVISIONS OF ANY SCHEDULE OR EXHIBIT HERETO; OR (b) THE TERMS AND PROVISIONS OF THIS AGREEMENT AND THE TERMS AND PROVISIONS OF ANY TRANSACTION DOCUMENT, THE TERMS AND PROVISIONS OF THIS AGREEMENT SHALL GOVERN AND CONTROL; *PROVIDED*, *HOWEVER*, THAT THE INCLUSION IN ANY OF THE SCHEDULES OR EXHIBITS HERETO OR ANY TRANSACTION DOCUMENT OF TERMS AND PROVISIONS NOT ADDRESSED IN THIS AGREEMENT SHALL NOT BE DEEMED A CONFLICT, AND ALL SUCH ADDITIONAL PROVISIONS SHALL BE GIVEN FULL FORCE AND EFFECT, SUBJECT TO THE PROVISIONS OF THIS *SECTION 15.9*.

15.10 ***Parties in Interest***. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties or their respective successors and permitted assigns, or the Parties' respective related Indemnified Parties hereunder any rights, remedies or Liabilities under or by reason of this Agreement; *provided* that only a Party and its successors and permitted assigns will have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of its related Indemnified Parties (but shall not be obligated to do so).

15.11 ***Successors and Permitted Assigns***. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective successors and permitted assigns.

15.12 ***Amendment***. This Agreement may be amended, restated, supplemented or otherwise modified only by an instrument in writing executed by both Parties and expressly identified as an amendment, restatement, supplement or modification.

15.13 ***Waiver; Rights Cumulative***. Any of the terms, covenants, representations, warranties, or conditions hereof may be waived only by a written instrument executed by or on behalf of the Party waiving compliance. No course of dealing on the part of either Party, or their respective officers, employees, agents, or representatives, and no failure by a Party to exercise any of its rights under this Agreement, shall, in any such case, operate as a waiver thereof or affect in any way the right of such Party at a later time to enforce the performance of such provision. No waiver by either Party of any condition, or any breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of any breach of any other term, covenant, representation, or warranty. The rights of the Parties under this Agreement shall be cumulative, and the exercise or partial exercise of any such right shall not preclude the exercise of any other right.

15.14 ***Governing Law; Dispute Resolution; Jury Waiver***. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RIGHTS, DUTIES AND THE LEGAL RELATIONS AMONG THE PARTIES HERETO AND THERETO ("***DISPUTES***") SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION. THE PARTIES AGREE TO SUBMIT ALL DISPUTES TO BINDING ARBITRATION IN HOUSTON, TEXAS SUCH ARBITRATION TO BE CONDUCTED AS FOLLOWS: THE ARBITRATION PROCEEDING SHALL BE SUBMITTED BY THE PARTIES TO A PANEL OF THREE INDEPENDENT AND IMPARTIAL ARBITRATORS WITH AT LEAST 10 YEARS KNOWLEDGE OR EXPERIENCE IN THE OIL AND GAS INDUSTRY, ONE SELECTED BY EACH OF THE PARTIES WITHIN THIRTY DAYS AFTER RECEIPT OF WRITTEN NOTICE FROM THE OTHER PARTY AND A THIRD SELECTED BY THE FIRST TWO ARBITRATORS (EACH AN "***ARBITRATOR***", AND COLLECTIVELY THE "***ARBITRATORS***"). THE THIRD ARBITRATOR, SELECTED BY THE FIRST TWO ARBITRATORS, SHALL BE A PERSON HAVING SUBSTANTIAL EXPERIENCE AND RECOGNIZED EXPERTISE IN OIL AND GAS INDUSTRY. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. ANY AWARD ENTERED IN THE ARBITRATION SHALL BE MADE BY A WRITTEN OPINION STATING THE REASONS AND BASIS FOR THE AWARD MADE AND ANY PAYMENT DUE PURSUANT TO THE ARBITRATION SHALL BE MADE WITHIN FIFTEEN (15) DAYS OF THE ARBITRATORS' DECISION. THE FINAL DECISION SHALL BE BINDING AND NON-APPEALABLE AND MAY BE FILED IN A COURT OF COMPETENT JURISDICTION AND MAY BE ENFORCED BY BUYER OR SELLER AS A FINAL JUDGMENT OF SUCH COURT. EACH PARTY SHALL BEAR ITS OWN COSTS AND EXPENSES OF THE ARBITRATION, *PROVIDED*, *HOWEVER*, THAT THE COSTS OF EMPLOYING THE ARBITRATORS SHALL BE BORNE 50% BY THE SELLER AND 50% BY THE BUYER. IN ENTERING INTO THIS *SECTION 15.14*, THE PARTIES ACKNOWLEDGE THAT THEY ARE VOLUNTARILY AND KNOWINGLY WAIVING THEIR RIGHTS TO JURY TRIAL.

15.15 ***Severability***. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either Party. Upon such determination that any term or other provision is invalid,

illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

15.16 ***Removal of Name***. As promptly as practicable, but in any case within 60 days after the Closing Date, Buyer shall eliminate the names "Devon Energy Production Company, L.P.," "Devon" and any variants thereof from the Subject Properties and, except with respect to such grace period for eliminating existing usage, shall have no right to use any logos, trademarks or trade names belonging to Seller or any of its Affiliates.

15.17 ***Counterparts***. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon all Parties.

15.18 ***Like-Kind Exchange***. Buyer and Seller agree that either or both of Seller and Buyer may elect to treat the acquisition or sale of the Conveyed Interests as an exchange of like- kind property under Section 1031 of the Code (an "***Exchange***"), *provided* that the Closing shall not be delayed by reason of the Exchange. Each Party agrees to use reasonable efforts to cooperate with the other Party in the completion of such an Exchange including an Exchange subject to the procedures outlined in Treasury Regulation § 1.1031(k)-1 and/or Internal Revenue Service Revenue Procedure 2000-37. Each of Seller and Buyer shall have the right at any time prior to Closing to assign all or a part of its rights under this Agreement to a qualified intermediary (as that term is defined in Treasury Regulation § 1.1031(k)-1(g)(4)(iii)) or an exchange accommodation titleholder (as that term is defined in Internal Revenue Service Revenue Procedure 2000-37) to effect an Exchange. Each Party acknowledges and agrees that neither an assignment of a Party's rights under this Agreement nor any other actions taken by a Party or any other Person in connection with the Exchange shall release either Party from, or modify, any of its liabilities and obligations (including indemnity obligations to the other Party) under this Agreement, and neither Party makes any representations as to any particular Tax treatment that may be afforded to any other Party by reason of such assignment or any other actions taken in connection with the Exchange. Either Party electing to treat the acquisition or sale of the Conveyed Interests as an Exchange shall be obligated to pay all additional costs incurred hereunder as a result of the Exchange, and in consideration for the cooperation of the other Party, the Party electing Exchange treatment shall agree to pay all costs associated with the Exchange and to indemnify and hold the other Party, its Affiliates, and their respective former, current and future partners, members, shareholders, owners, officers, directors, managers, employees, agents and representatives harmless from and against any and all liabilities and Taxes arising out of, based upon, attributable to or resulting from the Exchange or transactions or actions taken in connection with the Exchange that would not have been incurred by the other Party but for the electing Party's Exchange election.

15.19 ***Specific Performance***. Each Party acknowledges that Buyer or, from and after Closing, Seller would be damaged irreparably if the obligations of the other Party under this Agreement are not performed in accordance with their specific terms or otherwise breached (or threatened to be breached). Accordingly, each Party agrees that Buyer or, from and after Closing, Seller may seek to enforce specifically the obligations of the other Party under this Agreement, without (a) the requirement of proving actual damages or posting of a bond or other security or (b) without prejudice to any other rights or remedies available to either Party under this Agreement; *provided* that any right to specifically enforce the provisions of this Agreement to compel Closing shall terminate upon termination of this Agreement under *Section 14.1*.

15.20 ***Liability Matters***. Buyer and Seller shall not, and shall cause the Buyer Indemnified Parties and the Seller Indemnified Parties not to, assert or threaten any claim or other method of recovery, in contract, in tort or under statute or other applicable Law, against any Person other than Buyer and Seller. Buyer and Seller, as applicable, shall be liable for all attorneys' fees and court costs arising from its breach of this *Section 15.20*.

15.21 ***Reliance***. Notwithstanding anything to the contrary in this Agreement, (a) Buyer has relied upon and will be deemed to have relied upon for all purposes of this Agreement all of Seller's express indemnification obligations set forth in this Agreement or any other Transaction Document and all of Seller's express representations, warranties, covenants and agreements set forth in this Agreement and in each other Transaction Document (including, for purposes of clarity, the special warranty of Defensible Title set forth in the Assignment(s)) and (b) the waivers, assumptions, releases and disclaimers set forth in this Agreement and any other Transaction Document shall not limit any Party's indemnification obligations, representations, warranties, covenants or agreements expressly set forth in this Agreement or any other Transaction Document.

15.22 ***Confidentiality***. If the Closing occurs, (a) the Confidentiality Agreement shall terminate with respect to the Parties and (b) for a period of one (1) year following the Closing Date, Seller shall keep, and shall take commercially reasonable efforts (without the obligation to expend any monies or undertake any obligations) to cause its Affiliates to keep, to the extent permitted by Law, strictly confidential all of the Records and all confidential information, data, documents and other instruments disclosed to Seller or any of its Affiliates by or on behalf of Buyer (collectively, the "***Confidential Information***"), except for (i) such Confidential Information (A) that becomes, through no violation of the provisions of this *Section 15.22* by Seller or its Affiliates, part of the public domain by publication or otherwise, (B) which is obtained by Seller or its Affiliates from a source that is not known to it to be prohibited from disclosing such Confidential Information to Seller or its Affiliates by an obligation of confidentiality to Buyer, or (C) which is developed independently by Seller or its Affiliates without use of, or reliance upon, any of the Confidential Information or (ii) disclosures of Confidential Information (A) in the course of any trial or other legal Proceeding involving Seller or its Affiliates, (B) as required by any applicable securities Law or legal process or other Law (including any subpoena, interrogatory, or other similar requirement for such information to be disclosed) or the rules of any applicable national stock exchange, or (C) as is necessary to allow Seller or its Affiliates to manage or operate the Excluded Assets and Other Matters or Seller's or its Affiliates' other assets or Specified Obligations. In any such circumstance outlined in *clause (ii)(A)* or *(ii)(B)* above, Seller will promptly give Buyer written notice of such required disclosure and take commercially reasonable efforts (without the obligation to expend any monies or undertake any obligations) to disclose only that portion of the Confidential Information as Seller is advised in writing by outside legal counsel that it is reasonably required to disclose and will exercise its commercially reasonable efforts (without the obligation to expend any monies or undertake any obligations) to obtain reliable assurance that confidential treatment will be accorded to such Confidential Information.

15.23 ***Exclusivity***. From and after the Execution Date until the earlier to occur of the Closing or the termination of this Agreement in accordance with *Section 14.1*, except as permitted by *Section 9.1*, Seller shall not, and shall cause each of its Affiliates and each of its and their respective Representatives not to, (a) enter into any agreement (binding or nonbinding), solicit, initiate, encourage, share information for the purpose of marketing or selling any or all of the Conveyed Interests or negotiate with any Person (other than Buyer or Buyer's Representatives (solely in their respective capacities as Representatives of Buyer)) with respect to any other transaction of any kind involving or related to the sale (whether by merger, stock or asset sale or any other similar acquisition, consolidation or combination of any of the foregoing, other than, for purposes of clarity, any such transaction resulting in a change of control of Seller's ultimate parent entity) of any or all of the Conveyed Interests or (b) assist, encourage or permit any effort or attempt by any Person (other than Buyer or Buyer's Representatives (solely in their respective capacities as a Representative of Buyer)) to attempt to do or seek to do any of the foregoing. Notwithstanding the foregoing sentence of this *Section 15.23*, Seller, its Affiliates and each of its and their respective Representatives shall have the limited right to state in response to Third Party inquiries about the Conveyed Interests that Seller is subject to the terms and conditions of a purchase and sale agreement with respect to the Conveyed Interests.

[*Remainder of page intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the Execution Date.

Seller:

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: /s/ David A. Hager
Name: David A. Hager
Title: President and Chief Executive Officer

[*Signature Page to Purchase and Sale Agreement*]

Buyer:

BKV BARNETT, LLC

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: President, Secretary and Managing Director

[*Signature Page to Purchase and Sale Agreement*]

APPENDIX I
DEFINITIONS

Capitalized terms used in this Agreement shall have the meanings set forth in this *Appendix I* unless the context requires otherwise.

"***AAA***" means the American Arbitration Association.

"***AAA Rules***" means the Commercial Arbitration Rules of the AAA.

"***Accounting Arbitrator***" has the meaning set forth in *Section 3.7(b)*.

"***Adjusted Purchase Price***" has the meaning set forth in *Section 3.3*.

"***AFEs***" has the meaning set forth in *Section 7.11*.

"***Affiliate***" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person; *provided*, *however*, (a) Seller and Tarrant Salt Water Disposal Joint Venture shall not be Affiliates for purposes of this Agreement and (b) for the avoidance of doubt, the EnLink Entities are not Affiliates of Seller. The term "***control***" and its derivatives with respect to any Person mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"***Agreement***" has the meaning set forth in the first paragraph in this Agreement.

"***Allocated Other Working Interest Owner Amount***" has the meaning set forth on *Schedule 9.14*.

"***Allocated Value***" has the meaning set forth in *Section 3.8*.

"***APO Working Interest***" and "***APO Net Revenue Interest***" means after payout Working Interest and after payout Net Revenue Interest.

"***Applicable Contracts***" means all Contracts to which (a) Seller or any of Seller's Affiliates holding or owning any interest in or to any of the Conveyed Interests is a party to the extent relating to any of the Conveyed Interests or (b) the Conveyed Interests are bound, including, but not limited to: communitization agreements; net profits agreements; production sharing agreements; production payment agreements; area of mutual interest agreements; joint venture agreements; confidentiality agreements; farmin and farmout agreements; bottom hole agreements; crude oil, condensate, and natural gas purchase and sale, gathering, transportation, and marketing agreements; transportation agreements; hydrocarbon storage agreements; acreage contribution agreements; operating agreements; balancing agreements; pooling agreements; unitization agreements; processing agreements; salt water disposal agreements; facilities or equipment leases; and other similar contracts and agreements, but exclusive of any Contracts to the extent constituting any of the Excluded Assets and Other Matters and/or any master service agreements.

"***Approved AFEs***" has the meaning set forth in *Section 2.3(a)*.

"***Approved Buyer Environmental Consultant***" means any Person identified on *Schedule ABEC*.

"***Arbitration Notice***" has the meaning set forth in *Section 3.7(b)*.

"***Asset Taxes***" means ad valorem, property, excise, severance, production, sales, use, or similar Taxes (excluding any Income Taxes and Transfer Taxes) based upon or measured by the acquisition, ownership or operation of the Conveyed Interests or the production of Hydrocarbons or the receipt of proceeds therefrom.

"***Assignments***" means, collectively, the DEPCO Assignment, the DEC Assignment, the SWGP Assignment and the DGS Assignment.

"***Assignment of Water Disposal JV Interests***" means the Assignment of Water Disposal JV Interests from Seller to Buyer substantially in the form attached to this Agreement as *Exhibit L-2*.

"***Assumed Obligations***" has the meaning set forth in *Section 13.1(a)*.

"***Barnett Formation***" means the formation described on *Exhibit S* (less, for any Lease, any portion of the Barnett Formation not included in the depths described on *Exhibit A* for such Lease).

"***Burden***" means any and all royalties (including lessor's royalty), overriding royalties, production payments, net profits interests, non-participating royalties, other non-cost bearing interests and other similar burdens upon, measured by or payable out of production of Hydrocarbons or other minerals (excluding any Taxes).

"***Business Day***" means any day (other than Saturday or Sunday) on which commercial banks in Houston, Texas are generally open for business.

"***Buyer***" has the meaning set forth in the first paragraph in this Agreement.

"***Buyer Consent/Notice Requirements***" has the meaning set forth in *Section 5.5(c)*.

"***Buyer Indemnified Parties***" has the meaning set forth in *Section 13.2*.

"***Buyer's Environmental Liabilities***" has the meaning set forth in *Section 6.1(a)*.

"***Buyer's Representatives***" has the meaning set forth in *Section 4.1(a)*.

"***Casualty Loss***" has the meaning set forth in *Section 5.4(b)*.

"***CFIUS***" means the Committee on Foreign Investment in the United States.

"***CFIUS Approval***" (a) the Parties shall have received written notice from CFIUS that review or investigation under the DPA of the transactions contemplated by this Agreement has been concluded and that there are no unresolved national security concerns with respect to the transactions contemplated by this Agreement; (b) CFIUS shall have concluded that the transactions contemplated by this Agreement are not a covered transaction as that term is defined in 31 C.F.R. § 800.207 and not subject to review under the DPA; or (c) CFIUS shall have sent a report to the President of the United States requesting the President's decision on the notice and either (i) the period under the DPA during which the President may announce his decision to take action to suspend or prohibit the transactions contemplated hereby shall have elapsed without any such action being announced or taken, or (ii) the President shall have announced a decision to take no action to suspend or prohibit the transactions contemplated hereby.

"***CFIUS Closing Date***" has the meaning set forth in *Section 14.1(b)*.

"***CFIUS Filing***" has the meaning set forth in *Section 9.10(b)(i)*.

"***CFIUS Termination Fee***" means an amount equal to $70,000,000.

"***Claim Notice***" has the meaning set forth in *Section 13.7(b)*.

"***Closing***" has the meaning set forth in *Section 12.1*.

"***Closing Date***" has the meaning set forth in *Section 12.1*.

"***Closing Payment***" means the Purchase Price, as adjusted at Closing less (a) the Deposit and (b) if applicable, the Defect Escrow Amount.

"***Code***" means the Internal Revenue Code of 1986, as amended, and any successor statute.

"***Confidentiality Agreement***" means that certain Confidentiality Agreement, dated as of June 24, 2019, by and between Seller and Kalnin Ventures, LLC, a Colorado limited liability company.

"***Consent***" has the meaning set forth in *Section 7.4*.

"***Contract***" means any presently existing and valid written or oral contract, agreement or any other legally binding arrangement, but excluding, however (1) any Lease, (2) any Rights-of-Way, SWGP Rights-of-Way or DEC Rights-of-Way and (3) except for any joint operating agreement or any other similar agreement, any other easement, right-of-way, permit or other instrument creating or evidencing an interest in the Conveyed Interests or any real or immovable property related to or used in connection with the operations of any Conveyed Interests.

"***Conveyed Interests***" has the meaning set forth in *Section 2.1*.

"***Credit Support***" has the meaning set forth in *Section 7.23*.

"***Cure Notice***" has the meaning set forth in *Section 5.3(c)*.

"***DEC***" means Devon Energy Corporation, a Delaware corporation.

"***DEC Assignment***" means the Assignment, Bill of Sale and Conveyance from DEC to Buyer substantially in the form attached to this Agreement as *Exhibit L-3*.

"***DEC Rights-of-Way***" has the meaning set forth in *Section 2.1(o)*.

"***Decommission***" and "***Decommissioning***" means all dismantling and decommissioning activities and Liabilities as are required by Law, any Governmental Authority, Leases or agreements including all well plugging, replugging and abandonment, facility dismantlement and removal, pipeline and flowline removal, dismantlement and removal of all other property of any kind related to or associated with operations or activities and associated site clearance, site restoration and site remediation.

"***Decommissioning Obligations***" has the meaning set forth in *Section 13.1(a)*.

"***Deeds***" means, collectively, the Mineral Deed, the Surface Deed and the DGS Surface Deed.

"***Defect Escrow Amount***" has the meaning set forth in *Section 3.6(b)*.

"***Defensible Title***" has the meaning set forth in *Schedule DT*.

"***DEPCO Assignment***" means the Assignment, Bill of Sale and Conveyance from Seller to Buyer substantially in the form attached to this Agreement as *Exhibit L-1*.

"***Deposit***" has the meaning set forth in *Section 3.2*.

"***Designated Midstream Contracts***" means:

(a) (i) the Priority Intrastate Gas Transportation Agreement dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS, (ii) the NGPA 311 Interruptible Gas Transportation Service Agreement dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS and (iii) the Subscription Agreement for Additional Transportation Capacity dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS;

(b) (i) the Priority Intrastate Gas Transportation Agreement dated January 1, 2017, by and between Atmos Pipeline – Texas and DGS, (ii) the NGPA 311 Interruptible Gas Transportation Service Agreement dated as of January 1, 2017, by and between Atmos Pipeline – Texas and DGS and (iii) the Subscription Agreement dated as of January 1, 2017, by and between Atmos Pipeline – Texas and DGS;

(c) (i) the Firm Gas Transportation Agreement for Intrastate Service No. 8710FTSA dated August 1, 2009 (as amended), by and between Enterprise Texas Pipeline LLC and DGS and (ii) the NGPA Section 311 Service No. 8710FTSE dated August 1, 2009 (as amended), by and between Enterprise Texas Pipeline LLC and DGS; and

(d) the FT Services Agreement No. 2023 dated August 29, 2018, but effective as of September 1, 2019, between Gulf Crossing Pipeline Company LLC and DGS.

"***Designated Well Costs***" means all drilling, completion and equipping costs and expenses attributable to the drilling, completion and equipping of each Designated Well whether or not such costs or expenses were incurred prior to, on or after the Effective Time as reflected in the AFEs described on *Schedule 2.3(a)*.

"***Designated Wells***" means those wells set forth on *Schedule* 2.3.

"***DGS***" means Devon Gas Services, L.P., an Oklahoma limited partnership.

"***DGS Assignment***" means the Assignment, Bill of Sale and Conveyance from DGS to Buyer substantially in the form attached to this Agreement as *Exhibit L-5*.

"***DGS Pipeline Systems***" has the meaning set forth in *Section 2.1(l)*.

"***DGS Storage Volumes***" has the meaning set forth in *Section 2.1(f)*.

"***DGS Surface Deed***" means the Surface Deed substantially in the form attached to this Agreement as *Exhibit N-1*.

"***DGS Surface Fee Interests***" has the meaning set forth in *Section 2.1(i)*.

"***Dispute Date***" means on or before 5:00 P.M. (Central Time) on the date that is 10 days after the expiration of the Title Defect Cure Deadline or Environmental Defect Cure Deadline, as applicable.

"***Dispute Notice***" has the meaning set forth in *Section 3.6(a)*.

"***Disputed Environmental Matters***" has the meaning set forth in *Section 6.1(f)*.

"***DOJ***" has the meaning set forth in *Section 9.10(a)*.

"***DPA***" means Section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565), and all rules and regulations thereunder, including those codified at 31 C.F.R. Part 800 et seq.

"***Effective Time***" means 7:00 A.M. (Central Time) on September 1, 2019.

"***email***" has the meaning set forth in *Section 15.6*.

"***Employment Effective Date***" has the meaning set forth in *Section 9.6(b)*.

"***Employment Offer Deadline***" has the meaning set forth in *Section 9.6(d)*.

"***Encumbrance***" means any lien, encumbrance, security interest, pledge, charge, mortgage, collateral assignment, deed of trust or similar encumbrance.

"***EnLink Agreements***" means (a) the Gas Gathering, Processing and Purchase Contract and (b) the GoForth Gas Gathering Agreement.

"***EnLink Entities***" means EnLink Gathering and EnLink Midstream.

"***EnLink Gathering***" means EnLink North Texas Gathering, LP, a Texas limited partnership.

"***EnLink Midstream***" means EnLink Midstream LLC, a Texas limited liability company.

"***Environmental Arbitrator***" has the meaning set forth in *Section 6.1(f)*.

"***Environmental Condition***" means (a) a physical condition or circumstance in, on, under or migrating from any of the Conveyed Interests (including the air, soil, subsurface, surface waters, ground waters and sediments) that causes a Conveyed Interest (or Seller or any of its Affiliates with respect to a Conveyed Interest) to be in violation of, or not in compliance with, any Environmental Law, (b) the existence with respect to any of the Conveyed Interests (including the operation, use or maintenance thereof) of any environmental pollution, contamination, degradation, damage or injury for which remedial or

corrective action (including, for purposes of clarity, Remediation) is presently required (or if known, would be presently required) under applicable Environmental Law or (c) the failure of any Conveyed Interest (or Seller or any of its Affiliates with respect to any Conveyed Interest, including the ownership, operation, use or maintenance thereof) to be in compliance with operational or permitting requirements imposed under Environmental Laws applicable to the Conveyed Interests.

"***Environmental Defect***" means an Environmental Condition with respect to any Conveyed Interest (other than Non-Cost Bearing Interests).

"***Environmental Defect Claim Date***" means 5:00 P.M. (Central Time) on the date that is 60 days after the Execution Date.

"***Environmental Defect Cure Deadline***" has the meaning set forth in *Section 6.1(b)*.

"***Environmental Defect Deductible***" has the meaning set forth in *Section 6.1(e)*.

"***Environmental Defect Notice***" and "***Environmental Defect Notices***" have the meaning set forth in *Section 6.1(a)*.

"***Environmental Defect Property***" has the meaning set forth in *Section 6.1(a)*.

"***Environmental Laws***" means all Laws in effect as of or prior to the Execution Date relating to the pollution or protection of the environment (including natural resources), Hazardous Substances and those Laws relating to the generation, processing, treatment, storage, transportation, disposal or other management thereof. The term "***Environmental Laws***" does not include (a) good or desirable operating practices or standards that may be employed or adopted by other oil and gas well operators or recommended by a Governmental Authority, or (b) the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq., as amended, or any other Law governing worker safety or workplace conditions.

"***Escrow Account***" means the account established pursuant to the Escrow Agreement.

"***Escrow Agent***" means Wells Fargo Bank, National Association.

"***Escrow Agreement***" means that certain Escrow Agreement to be entered into as of the Execution Date by and among the Parties and the Escrow Agent, substantially in the form attached hereto as *Exhibit P*.

"***Exchange***" has the meaning set forth in *Section 15.18*.

"***Excluded Assets and Other Matters***" means (a) all of Seller's corporate minute books, financial, budget, Tax records and other business records (excluding Tax records) that relate to Seller's business generally (other than those (i) directly related to the ownership and operation of the Conveyed Interests or (ii) related to any of the Assumed Obligations for which Buyer is providing indemnification hereunder); (b) all of Seller's Tax records;(c) to the extent that they do not relate to the Assumed Obligations for which Buyer is providing indemnification hereunder, all trade credits, all bank accounts, all receivables of Seller and all other proceeds, income or revenues of Seller attributable to the Conveyed Interests and attributable to any period of time prior to the Effective Time; (d) to the extent that they do not relate to the Assumed Obligations for which Buyer is providing indemnification hereunder, and except for those described in *Section 2.1(u)*, *Section 2.1(y)*, *Section 2.1(bb)* and/or *Section 2.1(cc)*, any and all claims and causes of action of Seller that are attributable to periods of time prior to the Effective Time (including claims for adjustments or refunds); (e) subject to *Section 5.4*, all rights and interests of Seller (i) under any policy or agreement of insurance or indemnity, (ii) under any bond, or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events or damage to or destruction of property; (f) except to the extent of the adjustments set forth in *Section 3.3(a)(i)*, Seller's rights with respect to all Hydrocarbons produced and sold from the Conveyed Interests with respect to all periods prior to the Effective Time (except for and excluding all Hydrocarbons produced and sold from the Designated Wells); (g) all claims of Seller or any of its Affiliates for refunds of, rights to receive funds from any Governmental Authority, or loss carryforwards or credits with respect to (i) Asset Taxes attributable to any Tax period (or portion of any Straddle Period) ending prior to the Effective Time, (ii) Income Taxes of Seller or any of its Affiliates, or (iii) any Taxes attributable to the Excluded Assets and Other Matters; (h) all servers and all intangible information technology assets, including (i) computer, server, proprietary and Seller and its Affiliates' specific software and (ii) any other intangible information technology assets; (i) to the extent that they do not relate to the Assumed Obligations for which Buyer is providing indemnification hereunder, all rights, benefits and releases of Seller or its Affiliates under or with respect to any Contract that are attributable to periods of time prior to Closing; (j) all of Seller's proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property; (k) all documents and instruments of Seller that may be protected by an attorney-client privilege or any attorney work product doctrine (other than title opinions); (l) all data that cannot be disclosed to Buyer as a result of confidentiality arrangements under agreements with Third Parties; *provided*, *that* Seller shall use its commercially reasonable efforts to obtain a waiver of such restrictions in order to permit disclosure to Buyer (without the obligation to expend any monies or undertake any obligations (other than requesting such waivers) in connection with such disclosure); (m) solely to the extent related to the Specified Obligations, all audit rights of Seller arising under any of the Applicable Contracts or otherwise with respect to any of the Excluded Assets and Other Matters, except for any Imbalances assumed by Buyer; (n) all geophysical and other seismic and related technical data and information including the seismic and related technical data set forth on *Exhibit O-2*; (o) documents prepared or received by Seller or its Affiliates with respect to (i) lists of prospective purchasers for such transactions compiled by Seller, (ii) bids submitted by other prospective purchasers of the Conveyed Interests, (iii) analyses by Seller or its Affiliates of any bids submitted by any prospective purchaser, (iv) correspondence between or among Seller, its Representatives, and any prospective purchaser other than Buyer, and (v) correspondence between Seller or any of its Representatives with respect to any of the bids, the prospective purchasers or the transactions contemplated by this Agreement; (p) any fee simple surface estate to the extent not in or covering any tract of land described on *Exhibit E-1* or *Exhibit E-2*; (q) any leases, Contracts, rights and other assets specifically listed on *Exhibit Q*; (r) Suspense Funds held by Seller for which the Purchase Price was adjusted pursuant to *Section 3.3(b)(viii)*; (s) all personnel files and personnel records of Seller; (t) all data contained on back-up tapes or disaster recovery tapes; (u) any personal property of Seller that is not Personal and Other Property; (v) any cores and cuttings of Seller that are not Transferred Cores and associated core storage contracts; (w) all telephone equipment, smartphones, tablets, and other mobility devices, (x) all personal property set forth on *Schedule 2.1(p)*, (y) the Excluded Wells, (y) any hedge, derivative, swap, collar, put, call, cap, option or other similar contract or arrangement and any other swap, debt or other similar contract, instrument or arrangement to which Seller or any of its Affiliates is a party or that is otherwise binding upon or burdens Seller, any of its Affiliates or any of the Conveyed Interests, (z) any assets described in *Section 2.1(m)*, *2.1(n)*, *2.1(o)* or *2.1(t)* that are not assignable, (aa) any assets, properties or other interests

described or set forth in *Section 2.1* that are excluded from the Conveyed Interests that are assigned, conveyed and/or transferred to Buyer in accordance with this Agreement (including, for purposes of clarity, any such assets, properties or other interests that are excluded pursuant to *Sections 4.1(b)*, *5.3(d)(ii)*, 5.4(c), *5.5(a)(i)*, *5.5(a)(iii)*, *5.5(b)(i)*, *5.5(b)(ii)* or *6.1(c)(ii)*) and (bb) the Excluded Transportation.

"***Excluded Transportation***" means 200,000 dth/day of firm capacity under that certain Firm Transportation Agreement between DGS and Gulf Crossing Pipeline Company LLC, effective as of September 1, 2019, from Sherman (Enterprise, Receipt SLN 22329) to Rock Springs/Scott Mtn Gulf South Lease, Delivery SLN 22340, for the remainder of the term of the agreement.

"***Excluded Wells***" means all oil and gas wells and portions of the oil and gas leases associated with such wells, insofar and only insofar to the extent necessary to own and operate such wells, in each case, as identified and described on *Exhibit R*.

"***Execution Date***" has the meaning set forth in the first paragraph in this Agreement.

"***FCC***" shall mean the Federal Communications Commission.

"***FCC Assignment Applications***" has the meaning set forth in *Section 9.9(a)*.

"***FCC Consents***" means those consents from the FCC for the assignment of the FCC Licenses to Buyer.

"***FCC Licenses***" means the FCC licenses associated with the SCADA system that is part of Personal and Other Property, as further described on *Exhibit T*.

"***FCC Rules***" shall mean Title 47 of the Code of Federal Regulations, as amended from time to time, and any policies or published decisions issued pursuant to such regulations or the Communications Act of 1934.

"***Fee Minerals***" has the meaning set forth in *Section 2.1(c)*.

"***FERC***" has the meaning set forth in *Section 7.31*.

"***Final Price***" has the meaning set forth in *Section 3.6(a)*.

"***Final Settlement Statement***" has the meaning set forth in *Section 3.6(a)*.

"***Fraud***" means actual fraud by a Party (as determined pursuant to a final, non-appealable order of a court of competent jurisdiction), which involves a knowing and intentional misrepresentation by such Party or a knowing and intentional concealment of facts, with the intent of inducing any other Party to enter into this Agreement and upon which such other Party has relied to its detriment (as opposed to any fraud claim based on constructive knowledge, negligent misrepresentation or a similar theory under applicable Law).

"***FTC***" has the meaning set forth in *Section 9.10(a)*.

"***GAAP***" means generally accepted accounting principles in the United States as interpreted as of the Execution Date.

"***Gas Gathering***, ***Processing and Purchase Contract***" means that certain Gas Gathering, Processing and Purchase Contract substantially in the form attached hereto as *Exhibit J*.

"***Gathering Assets***" has the meaning set forth in *Section 7.31*.

"***GoForth Gas Gathering Agreement***" means that certain GoForth Gas Gathering Agreement substantially in the form attached hereto as *Exhibit K*.

"***Governmental Authority***" means any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or Taxing Authority or power; and any court or governmental tribunal.

"***Governmental Bonds***" has the meaning set forth in *Section 9.3(a)*.

"***Hazardous Substances***" means any pollutants, contaminants, toxins or hazardous or extremely hazardous substances, materials, wastes, constituents, compounds, or chemicals that are regulated by, or may form the basis of liability under, any Environmental Laws, including NORM and other substances referenced in *Section 6.2*.

"***HSR Act***" has the meaning set forth in *Section 9.10(a)*.

"***Hydrocarbons***" means all oil, gas, condensate, and other hydrocarbons (whether or not that hydrocarbon is in liquid or gaseous form).

"***Hydrocarbons in Storage***" has the meaning set forth in *Section 2.1(e)*.

"***Imbalances***" means all Well Imbalances and Pipeline Imbalances.

"***Income Taxes***" means (i) all Taxes based upon, measured by, or calculated with respect to gross or net income, gross or net receipts or profits (including franchise Taxes and any capital gains, alternative minimum, and net worth Taxes, but excluding ad valorem, property, excise, severance, production, sales, use, real or personal property transfer or other similar Taxes), (ii) Taxes based upon, measured by, or calculated with respect to multiple bases (including corporate franchise, doing business or occupation Taxes) if one or more of the bases upon which such Tax may be based, measured by, or calculated with respect to is included in *clause (i)* above, or (iii) withholding Taxes measured with reference to or as a substitute for any Tax included in *clauses (i)* or (ii) above.

"***Indemnified Party***" has the meaning set forth in *Section 13.7(a)*.

"***Indemnifying Party***" has the meaning set forth in *Section 13.7(a)*.

"***Indemnity Deductible***" means an amount equal to [***] percent ([***]%) of the unadjusted Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to [***] percent ([***]%) of the unadjusted Purchase Price less the Allocated Other Working Interest Owner Amount.

"***Individual Environmental Threshold***" has the meaning set forth in *Section 6.1(e)*.

"***Individual Title Defect Threshold***" has the meaning set forth in *Section 5.3(i)*.

"***Interim Period***" means that period of time commencing at the Effective Time and ending at 7:00 A.M. (Central Time) on the Closing Date.

"***Joint Venture Agreement***" means the Joint Venture Agreement (as amended, supplemented and restated) effective as of June 1, 2005, by and between Chief Oil & Gas LLC and XTO Energy Inc.

"***Knowledge***" means (a) with respect to Seller and its Affiliates, the actual knowledge (without investigation) of the following Persons: (i) Bobby Saadati, Vice President of Business Development, (ii) Trent Tarp, Business Development Lead, (iii) Kevin Harwi, Land Manager, (iv) Gloria Contreras, Senior Supervisor JV Accounting, (v) Joel Stafford, Senior Counsel – Tax, (vi) Garrett Jackson, Vice President of Operations and (vii) Greg Jacob, Vice President of Mid Continent Business Unit and (b) with respect to Buyer, the actual knowledge (without investigation) of the following Persons: (i) Matt Johnson, Vice President of Corporate Development and (ii) Jamie Luckenbill, Senior Director of Land.

"***Lands***" means the lands located in Denton County, Parker County, Tarrant County and Wise County, each in the State of Texas.

"***Law***" means any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, permit, decree or other official act of or by any Governmental Authority.

"***Lease Number***" means the number set forth on *Exhibit A* under the column titled "Lease No.".

"***Leases***" has the meaning set forth in *Section 2.1(a)*.

"***Liabilities***" means any and all claims, obligations, causes of action, payments, charges, judgments, assessments, liabilities, losses, damages, penalties, fines, costs and expenses, including (a) liabilities, costs, losses and damages for personal injury, death, property damage, environmental damage, or Remediation, (b) any action, proceeding, order or suit by a Governmental Authority with respect to any of the foregoing and (c) any reasonable attorneys' fees, legal or other expenses incurred in connection with any of the foregoing.

"***License Agreement***" means that certain seismic license agreement, substantially in the form attached hereto as *Exhibit O-1*.

"***Material Adverse Effect***" means an event or circumstance that, individually or in the aggregate, results or would be reasonably likely to result in a material adverse effect on (x) the ownership, operation or value of the Conveyed Interests, taken as a whole and as currently operated as of the Execution Date, or (y) the ability of Seller or any of its Affiliates to consummate the transactions contemplated by this Agreement; *provided*, *however*, that the term "Material Adverse Effect" shall not include any material adverse effect resulting from: (a) entering into this Agreement or the announcement of the transactions contemplated by this Agreement; (b) any action or omission of Seller taken in accordance with the terms of this Agreement or with the prior consent of Buyer; (c) changes in general market, economic, financial, or political conditions (including changes in commodity prices, fuel supply or transportation markets, interest or rates), regardless of location; (d) changes in conditions or developments generally applicable to the oil and gas industry; (e) acts of God, including hurricanes, storms or other naturally occurring events; (f) acts or failures to act of a Governmental Authority; (g) civil unrest, any outbreak of disease or hostilities, terrorist activities or war or any similar disorder; (h) matters that are cured or no longer exist by the earlier of Closing and the termination of this Agreement; (i) any reclassification or recalculation of reserves in the ordinary course of business; (j) changes in the prices of any Hydrocarbons; (k) a change in Laws and any

interpretations thereof from and after the Execution Date; (l) changes in service costs applicable to the oil and gas industry in the United States; (m) strikes and labor disturbances and (n) natural declines in well performance; *provided further, however*, that the exceptions in *clauses (f), (k)* and *(l),* may be taken into account in determining whether an event constitutes, gives rise to, causes, or creates a "Material Adverse Effect" to the extent the effect thereof has a disproportionally adverse effect on Seller or the Conveyed Interests, as compared to other similarly situated participants in the industry in which Seller operates.

"***Material Contracts***" has the meaning set forth in *Section 7.7(a)*.

"***Medium Consent***" means [***].

"***Midstream Facilities***" has the meaning set forth in *Section 2.1(l)*.

"***Mineral Deed***" means the Mineral Deed substantially in the form attached to this Agreement as *Exhibit M*.

"***Net Acre***" means, as computed separately with respect to each Lease identified on *Exhibit A* (in each case, limited to the Barnett Formation), (a) the gross number of mineral acres in the lands covered by that Lease multiplied by (b) the undivided fee simple mineral interest (expressed as a percentage) in the lands covered by that Lease (as determined by aggregating the fee simple mineral interests owned by each lessor of that Lease in the lands) multiplied by (c) Seller's undivided percentage interest that is burdened with the obligation to bear and pay costs and expenses in that Lease; *provided*, *that* if the items in *(b)* or *(c)* vary as to different tracts or depths covered by such Lease, a separate calculation shall be done for each such tract or depth. For example, if a Lease in which Seller owns an undivided 50% working interest covers a 20-acre tract in which the lessors of such Lease own an undivided one-half (1/2) fee mineral interest and a separate and distinct 40-acre tract in which the lessors of such Lease own an undivided one fourth (1/4) fee mineral interest, then the Lease would cover ten Net Acres (i.e., (20 × 0.5 × 0.5) + (40 × 0.25 × 0.5) = 10).

"***Net Revenue Interest***" means, the interest (expressed as a decimal or percentage) in and to all Hydrocarbons produced, saved, and sold from or allocated to (a) a Lease (or a tract thereof, if applicable) identified on *Exhibit A* (limited to the Barnett Formation), (b) a Well identified on *Exhibit B* (limited to the currently producing formation for such Well) or (c) a Well identified on *Schedule I-2* (limited to the currently completed formation), as applicable, and in each case, after giving effect to all Third Party Burdens; *provided*, *that* if such interest varies as to different tracts or depths covered by such Lease, a separate calculation shall be done for each such tract or depth. For the avoidance of doubt, references to Net Revenue Interest set forth on *Exhibit A, Exhibit B* or *Schedule I-2,* as applicable, shall refer to the figures reflected in the column titled (i) "Net Revenue Interest" in *Exhibit A* or (ii) "BPO Net Revenue Interest" and "APO Net Revenue Interest" in *Exhibit B* or *Schedule I-2*, as applicable.

"***Non-Cost Bearing Interests***" has the meaning set forth in *Section 2.1(c)*.

"***NORM***" means naturally occurring radioactive material.

"***OFAC***" means the United States Department of the Treasury's Office of Foreign Assets Control.

"***Offered Employee***" has the meaning set forth in *Section 9.6(c)*.

"***Operating Expenses***" means all Post-Effective Time Expenses and Pre-Effective Time Expenses.

"***Order***" means any writ, judgment, injunction, decree, ruling, sentence, subpoena, award or other similar order issued, made, entered and/or rendered by or on behalf of any Governmental Authority, in each case, whether preliminary or final, arising from any suit, litigation, arbitration or other Proceeding brought by any Third Party against Seller or its Affiliates.

"***Other Representations***" means the representations and warranties in *Sections 7.12*, *7.14*, *7.15* and *7.19(a)*.

"***Other Wells***" has the meaning set forth in *Section 2.1(g)*.

"***Other Working Interest Owner***" means the Person set forth on *Schedule OWIO*.

"***Other Working Interest Owner Acquisition Date***" means the date on which Seller acquires the Other Working Interest Owner Interests.

"***Other Working Interest Owner Interests***" has the meaning set forth in *Schedule 9.14*.

"***Overhead Costs***" means an amount equal to $1,000,000 per calendar month (prorated on a daily basis for any partial month) during the period between the Effective Time and the Closing Date.

"***Party***" and "***Parties***" have the meaning set forth in the first paragraph in this Agreement.

"***Permit***" means all permits, licenses, orders, approvals, consents, variances, registrations, waivers, authorizations, franchises and similar instruments of all Governmental Authorities that are required to permit Seller's (or its Affiliate's, as applicable) ownership or operation of the Conveyed Interests.

"***Permitted Encumbrances***" means:

(a) the terms and conditions of all Leases and all Burdens if the net cumulative effect of such Leases and Burdens (i) does not (A) operate to reduce the Net Revenue Interest of Seller and its Affiliates with respect to any Lease (or a tract thereof, if applicable), Well or Conveyed Interest identified on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, to an amount less than the Net Revenue Interest for such Lease (or such tract thereof, if

applicable), Well or Conveyed Interest on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, (B) obligate Seller or any of its Affiliates to bear a Working Interest with respect to any Lease (or a tract thereof, if applicable), Well or Conveyed Interest identified on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, in any amount greater than the Working Interest set forth on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, for that Lease (or that tract thereof, if applicable), that Well or that Conveyed Interest (unless the Net Revenue Interest for that Lease (or that tract thereof, if applicable), that Well or that Conveyed Interest is accompanied by at least the same proportional increase in the Net Revenue Interest set forth on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, in the same or greater proportion as any increase in such Working Interest) or (C) operate to reduce the Net Acres of Seller or any of its Affiliates with respect to any Lease (or a tract thereof, if applicable) identified on *Exhibit A* to an amount less than the Net Acres for such Lease (or such tract thereof, if applicable) on *Exhibit A* and (ii) would not reasonably be expected to materially impair the ownership, operation or use of any of the Conveyed Interests as currently owned and operated;

(b) Preferential Purchase Rights set forth on *Schedule 7.9*, Required Consents set forth on *Schedule 7.4*, and customary maintenance of uniform interest restrictions contained in joint operating agreements;

(c) liens for Taxes not yet due or delinquent or, if delinquent, that are being contested in good faith and, with respect to any contests, set forth on *Schedule PE*;

(d) Post-Closing Consents;

(e) except to the extent triggered prior to the Execution Date, conventional rights of reassignment arising upon final intention to abandon or release any of the Conveyed Interests;

(f) all Laws, and all rights reserved to or vested in any Governmental Authority (i) to control or regulate any Conveyed Interest in any manner; (ii) by the terms of any right, power, franchise, grant, license or permit, or by any provision of Law, to terminate such right, power, franchise, grant, license or permit or to purchase, condemn, expropriate or recapture or to designate a purchaser of any of the Conveyed Interests; (iii) to use such property in a manner which does not materially impair the use of such property for the purposes for which it is currently owned and operated; or (iv) to enforce any obligations or duties affecting the Conveyed Interests to any Governmental Authority with respect to any right, power, franchise, grant, license or permit;

(g) easements, conditions, covenants, restrictions, servitudes, permits, rights- of-way, surface leases, and other rights in the Conveyed Interests for the purpose of operations, facilities, roads, alleys, highways, railways, pipelines, transmission lines, transportation lines, distribution lines, power lines, telephone lines, removal of timber, grazing, logging operations, canals, ditches, reservoirs and other like purposes, or for the joint or common use of real estate, rights-of-way, facilities and equipment, which, in each case, do not and would not reasonably be expected to materially impair the ownership, operation or use of any of the Conveyed Interests as currently owned and operated;

(h) vendors, carriers, warehousemen's, repairmen's, mechanics', workmen's, materialmen's, construction or other like liens arising by operation of Law in the ordinary course of business or incident to the construction or improvement of any property in respect of obligations which are not yet delinquent or which are being contested in good faith by appropriate proceedings by or on behalf of Seller and, with respect to any contests, set forth on *Schedule PE*;

(i) normal and customary liens created under operating agreements for the operation of the Conveyed Interests or by operation of Law in respect of obligations that are not yet delinquent and pursuant to which Seller is not in default or which are being contested in good faith by appropriate proceedings by or on behalf of Seller and, with respect to any contests, set forth on *Schedule PE*;

(j) any Encumbrance affecting the Conveyed Interests that is discharged by Seller at or prior to Closing;

(k) (i) any matters expressly referenced or any depths not expressly referenced, in each case, and set forth on *Exhibit A*, *Exhibit B* or *Schedule I-2*, including any depth limitations, any Encumbrance or any defect that applies solely to a depth or formation that is not included on *Exhibit A* and (ii) all matters (and any outcomes thereof) set forth in *Schedule 7.6* or *Schedule 9.11*;

(l) mortgage liens burdening a lessor's interest in the Conveyed Interests that (i) postdates the creation of the applicable Lease or (ii) pre-dates the creation of the applicable Lease and (A) is not in foreclosure proceedings of which Seller or any of its Affiliates has received service or written notice or (B) which have been subordinated to the applicable Lease;

(m) the terms and conditions of all Material Contracts if the net cumulative effect of such Material Contracts (1) do not (i) operate to reduce the Net Revenue Interest of Seller and its Affiliates with respect to any Lease (or a tract thereof, if applicable), Well or Conveyed Interest identified on *Exhibit A*, E*xhibit B* or *Schedule I-2*, as applicable, to an amount less than the Net Revenue Interest for such Lease (or such tract thereof, if applicable), Well or Conveyed Interest on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, (ii) obligate Seller or any of its Affiliates to bear a Working Interest with respect to any Lease (or a tract thereof, if applicable), Well or Conveyed Interest identified on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, in any amount greater than the Working Interest set forth on *Exhibit A*, *Exhibit B* or *Schedule I-2*, as applicable, for that Lease (or that tract thereof, if applicable), that Well or the Conveyed Interest (unless the Net Revenue Interest for that Lease (or that tract thereof, if applicable), that Well or Conveyed Interest increases in the same or greater proportion as any increase in such Working Interest) or (iii) operate to reduce the Net Acres of Seller or any of its Affiliates with respect to any Lease (or a tract thereof, if applicable) identified on *Exhibit A* to an amount less than the Net Acres for such Lease (or such tract thereof, if applicable) and (2) would not reasonably be expected to materially impair the ownership, operation or use of any of the Conveyed Interests as currently owned and operated;

(n) defects based upon the failure to record any federal or state Leases or any assignments of interests in such Leases in any applicable county records, if such Leases were properly filed in the applicable federal or state offices;

(o) defects based on the failure to recite marital status in a document or omission of successors or heirship or estate proceedings, unless Buyer provides affirmative evidence that such failure or omission has resulted in another Person's superior claim of title to the relevant Conveyed Interest;

(p) defects that have been cured by applicable Laws of limitations or prescription;

(q) any Encumbrance or loss of title to the extent solely resulting from Seller's conduct of business in compliance with *Section 9.1*;

(r) defects arising from any prior oil and gas lease relating to the lands covered by a Lease not being surrendered of record, unless Buyer provides evidence that such prior oil and gas lease is still in effect and may result in another Person's superior claim of title to the Conveyed Interests in the relevant Lease or the relevant Wells;

(s) defects or irregularities resulting from or related to probate proceedings or the lack thereof, which defects or irregularities have been outstanding for ten (10) years or more unless Buyer provides evidence that a competing chain of title exists as to the applicable Conveyed Interests;

(t) defects based solely on (i) lack of information in Seller's files or (ii) references to an unrecorded document(s) to which neither Seller nor any Affiliate of Seller is a party, if such document is dated earlier than January 1, 1950 and is not in Seller's files;

(u) defects arising out of lack of survey, unless a survey is expressly required by applicable Laws;

(v) defects or irregularities resulting from liens, production payments, or mortgages that have expired by their own terms or the enforcement of which are barred by applicable statutes of limitations;

(w) the expiration of any Lease set forth on *Schedule I-1* pursuant to the express terms thereof;

(x) decreases in the Net Revenue Interest of Seller or increases in the Working Interest of Seller with respect to any Lease (or a tract thereof, if applicable) identified on *Exhibit A*, Well identified on *Exhibit B* or Conveyed Interest identified on *Schedule I-2* resulting from an amendment or other modification from and after the Execution Date of drilling and spacing units, pooled units, secondary recovery units, unitization agreements, communitization agreements, or other units, including pursuant to the Unit Agreement and/or the unit operating agreement for that Lease (or that tract thereof, if applicable) or Well and/or any redetermination of the participation factor or other similar measurement, in each case, only if (i) occurring from and after the Execution Date and (ii) with respect to Conveyed Interests operated by Seller, solely to the extent any such amendment and/or modification is expressly approved by Buyer;

(y) decreases in the Net Revenue Interest of Seller with respect to any Lease (or a tract thereof, if applicable) identified on *Exhibit A*, any Well identified on *Exhibit B* or any Conveyed Interest identified on *Schedule I-2* required to allow other working interest owners to make up past underproduction or pipelines to make up past under deliveries provided such make up obligations are identified on *Schedule 7.11* attached hereto;

(z) increases in the Working Interest of Seller with respect to any Lease (or a tract thereof, if applicable) identified on *Exhibit A*, any Well identified on *Exhibit B* or any Conveyed Interest identified on *Schedule I-2* resulting from contribution requirements with respect to defaulting co-owners under applicable operating agreements; and

(aa) defects based on or arising out of the failure of Seller or a Third Party operator to enter into, be party to, or be bound by, pooling provisions, a pooling agreement, production sharing agreement or other similar agreement with respect to any horizontal Well that crosses more than one Lease or tract, to the extent such Well (i) has been permitted by any applicable Governmental Authority or (ii) the allocation of Hydrocarbons produced from such Well among such Lease or tracts is based upon the length of the "*as drilled*" horizontal wellbore open for production, the total length of the horizontal wellbore, or other methodology that is intended to reasonably attribute to each such Lease or tract its share of such production.

"***Person***" means any individual, firm, corporation, company, partnership (general and limited), limited liability company, joint venture, association, trust, estate, unincorporated organization, Governmental Authority or any other entity.

"***Personal and Other Property***" has the meaning set forth in *Section 2.1(p)*.

"***Phase I ESA***" means an environmental site assessment performed pursuant to ASTM Standard E1527, or any similar environmental assessment that does not involve any sampling, testing, invasive or other similar activities.

"***Phase II ESA***" has the meaning set forth in *Section 4.1(b)*.

"***Pipeline Imbalance***" means any imbalance between (a) the quantity of Hydrocarbons attributable to the Conveyed Interests that are delivered by Seller or DGS to a counterparty under any Contract relating to the purchase and sale, gathering, transportation, storage, processing (including any production handling and processing at a separation facility) or marketing of Hydrocarbons and (b) the quantity of Hydrocarbons attributable to the Conveyed Interests that are redelivered to Seller or DGS by such counterparty pursuant to the relevant Contract, together with any appurtenant rights and obligations concerning

production balancing thereunder (ignoring any such difference to the extent resulting from any Hydrocarbon retained by such counterparty as fuel or for Hydrocarbon losses pursuant to such Contract).

"***Pipeline Systems***" has the meaning set forth in *Section 2.1(j)*.

"***Post-Closing Consents***" means the consents and approvals from Governmental Authorities or any other Third Party for the assignment of the Conveyed Interests to Buyer that are customarily obtained or otherwise required to be obtained after the assignment of properties similar to the Conveyed Interests, including, for the avoidance of doubt, any BIA and tribal consents.

"***Post-Effective Time Expenses***" means (a) the Designated Well Costs and (b) all operating costs and expenses and capital expenditures with respect to the ownership, development and/or operation of the Conveyed Interests and attributable to the time period from and after the Effective Time, including costs and expenses for services rendered (including (i) pursuant to the EnLink Agreements and (ii) overhead costs charged by Third Party operators), work performed, goods and materials furnished, activities undertaken, and operations conducted (or to be rendered, performed, furnished, undertaken, or conducted) and other matters attributable to the ownership or operation of the Conveyed Interests (such as costs of insurance, Governmental Bonds, and guarantees and any lease maintenance payments or rentals) but excluding Overhead Costs and Liabilities attributable to (x) curing (or attempting to cure) any Title Defect or Remediating (or attempting to Remediate) any Environmental Defect by Seller or any of its Affiliates pursuant to the terms of this Agreement, (y) Income Taxes, Asset Taxes, and Transfer Taxes, and (z) obligations to pay revenues or proceeds attributable to sales of Hydrocarbons to Third Parties, including Suspense Funds (if, and to the extent, such Suspense Funds are assigned, conveyed and transferred to Buyer or accounted for in accordance with *Section 9.8*).

"***Pre-Effective Time Expenses***" means (other than the Designated Well Costs) all operating costs and expenses and capital expenditures with respect to the ownership, development and/or operation of the Conveyed Interests and attributable to the time period prior to the Effective Time, including costs and expenses for services rendered (including overhead costs charged by Third Party operators) work performed, goods and materials furnished, activities undertaken, and operations conducted (or to be rendered, performed, furnished, undertaken, or conducted) and other matters attributable to the ownership or operation of the Conveyed Interests (such as costs of insurance, Governmental Bonds, and guarantees and any lease maintenance payments or rentals) but excluding Liabilities attributable to (A) Income Taxes, Asset Taxes, and Transfer Taxes, (B) obligations to pay revenues or proceeds attributable to sales of Hydrocarbons to Third Parties, including Suspense Funds, (C) any Environmental Condition, Environmental Defect, or other environmental matter, (D) Decommissioning Obligations, (E) personal injury or death, property damage, or violation of any Law, and (F) obligations with respect to Imbalances.

"***Preferential Purchase Right***" has the meaning set forth in *Section 7.9*.

"***Preliminary Settlement Statement***" has the meaning set forth in *Section 3.5*.

"***Proceeding***" means any proceeding, arbitration, action, suit or other legal or quasi-legal proceeding of any kind or nature before or by any Governmental Authority or any arbitration tribunal.

"***Property***" or "***Properties***" has the meaning set forth in *Section 2.1(d)*.

"***Purchase Price***" has the meaning set forth in *Section 3.1*.

"***Records***" has the meaning set forth in *Section 2.1(t)*.

"***Regulatory Approvals***" means (i) CFIUS Approval and (ii), if applicable, the waiting period under the HSR Act applicable to the consummation of the sale and purchase of the Conveyed Interests contemplated hereby shall have expired or been terminated.

"***Remediation***" means, with respect to an Environmental Condition, the implementation and completion of any and all investigatory, cleanup, monitoring, remedial, removal, response, construction, closure, disposal, treatment, containment, mitigation or other corrective actions, including monitoring, to the extent but only to the extent required under Environmental Laws to correct, remedy or remove such Environmental Condition.

"***Remediation Amount***" means, with respect to an Environmental Defect, the present value as of the Closing Date (using an annual discount rate of 8%) of the cost (net to Seller's interest prior to the consummation of the transactions contemplated by this Agreement) of the most cost effective Remediation of such Environmental Defect.

"***Representatives***" means, with respect to a Person, such Person's managers, members, directors, officers, employees, agents, contractors, investment bankers, financing sources, reserve engineers, attorneys, accountants and other advisors and representatives.

"***Required Consent***" means any Consent for which the failure to obtain such Consent (or a waiver in writing by the holder thereof) would cause (a) the assignment, conveyance or transfer of the Conveyed Interest(s) affected thereby to Buyer to be void, voidable, invalid, unenforceable and/or nullified, or (b) the termination of or right to terminate any Lease or an Applicable Contract, in each case, under the express terms of the underlying Lease or Applicable Contract containing such Consent.

"***Requisite Financial Statement Information***" has the meaning set forth in *Section 9.15(a)*.

"***Rights-of-Way***" has the meaning set forth in *Section 2.1(m)*.

"***ROW Instruments***" has the meaning set forth in *Section 7.32*.

"***SCADA***" means Supervisory Control and Data Acquisition.

"***Scheduled Closing Date***" has the meaning set forth in *Section 12.1*.

"***Scheduled Litigation***" has the meaning set forth in *Section 7.6*.

"***SEC***" has the meaning set forth in *Section 9.15(a)*.

"***Securities Act***" has the meaning set forth in *Section 9.15(a)*.

"***Seller***" has the meaning set forth in the first paragraph in this Agreement.

"***Seller Group***" has the meaning set forth in *Section 9.15(a)*.

"***Seller Indemnified Parties***" has the meaning set forth in *Section 13.3*.

"***Seller Permits***" has the meaning set forth in *Section 7.29*.

"***Special Warranty***" has the meaning set forth in *Section 5.2(a)*.

"***Special Warranty Notice***" and "***Special Warranty Notices***" have the meaning set forth in *Section 5.2(b)(i)*.

"***Specified Obligations***" has the meaning set forth in *Schedule 13.1(b)*.

"***Specified Representations***" means the representations and warranties in *Sections 7.1*, *7.2*, *7.3*, *7.5* and *7.13*.

"***Storage Agreement***" means that certain Agreement for Intrastate Gas Storage Service dated March 7, 2014, between SWG Pipeline, L.L.C. and DGS.

"***Straddle Period***" means any Tax period beginning before and ending after the Effective Time.

"***Subject Properties***" has the meaning set forth in *Section 2.1*.

"***Surface Deed***" means the Surface Deed substantially in the form attached to this Agreement as *Exhibit N-2*.

"***Surface Fee Interests***" has the meaning set forth in *Section 2.1(h)*.

"***Survival Period***" has the meaning set forth in *Section 5.2(b)(i)*.

"***Suspense Funds***" has the meaning set forth in *Section 7.22*.

"***SWGP***" means Southwestern Gas Pipeline, LLC., a Texas limited liability company.

"***SWGP Assignment***" means the Assignment, Bill of Sale and Conveyance from SWGP to Buyer substantially in the form attached to this Agreement as *Exhibit L-4*.

"***SWGP Pipeline Systems***" has the meaning set forth in *Section 2.1(k)*.

"***SWGP Rights-of-Way***" has the meaning set forth in *Section 2.1(n)*.

"***Tarrant Salt Water Disposal Joint Venture***" means the partnership created and formed pursuant to that the Joint Venture Agreement effective as of June 1, 2005, by and between Chief Oil & Gas LLC and XTO Energy Inc., for the purpose of participating in the drilling and operation of a salt water disposal well located on a tract of land in Tarrant County, Texas.

"***Tax Return***" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority.

"***Taxes***" means (i) any taxes, assessments, fees, and other governmental charges in the nature of a tax imposed by any Governmental Authority, including income, profits, gross receipts, employment, stamp, occupation, premium, alternative or add-on minimum, ad valorem, real property, personal property, transfer, real property transfer, value added, sales, use, customs, duties, capital stock, franchise, excise, withholding, social security (or similar), unemployment, disability, payroll, windfall profit, severance, production, estimated or other tax, including any interest, penalty or addition thereto and (ii) any liability in respect of any item described in *clause (i)* above that arises by reason of a contract, assumption, transferee or successor liability, operation of Law

(including by reason of participation in a consolidated, combined or unitary Tax Return) or otherwise.

"***Taxing Authority***" means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision, including any governmental or quasi-governmental entity or agency that imposes, or is charged with collecting, social security or similar charges or premiums.

"***Third Party***" means any Person other than a Party or an Affiliate of a Party.

"***Third Party Claim***" has the meaning set forth in *Section 13.7(b)*.

"***Title Arbitrator***" has the meaning set forth in *Section 5.3(j)*.

"***Title Benefit***" has the meaning set forth in *Schedule TB*.

"***Title Benefit Amount***" means an amount equal to the increase in the Allocated Value for each Title Benefit Property, as determined pursuant to *Section 5.3(h)* and/or *Section 5.3(j)*.

"***Title Benefit Notice***" has the meaning set forth in *Section 5.3(b)*.

"***Title Benefit Property***" has the meaning set forth in *Section 5.3(b)*.

"***Title Defect***" means any Encumbrance, defect or other matter (other than Permitted Encumbrances) that causes Seller not to have Defensible Title in and to any Lease (or a tract thereof, if applicable) set forth on *Exhibit A* (solely with respect to the Barnett Formation), any Well set forth on *Exhibit B* (solely with respect to the currently producing formation) or any Conveyed Interest set forth on *Schedule I-2* (solely with respect to the currently completed formation) as of the Effective Time and as of the Title Defect Claim Date; *provided* that the following shall not be considered Title Defects:

(a) defects arising out of the lack of corporate or other entity authorization unless Buyer provides affirmative evidence that such corporate or other entity action may result in another Person's superior claim of title to the relevant Conveyed Interest;

(b) defects based on a gap in Seller's chain of title in the federal, state, county or parish records or other records of a Governmental Authority as to the Conveyed Interests, unless Buyer affirmatively shows such gap to exist in such records by an abstract of title, title opinion or landman's title chain, which documents (if any) shall be included in a Title Defect Notice;

(c) defects that are solely based upon any of the Preferential Purchase Rights set forth on *Schedule 7.9*, Required Consents set forth on Schedule 7.4 or any customary maintenance of uniform interest restrictions set forth in a joint operating agreement; and

(d) such Title Defects as Buyer has expressly waived in writing or is deemed to have been expressly waived pursuant to the terms of this Agreement.

"***Title Defect Amount***" has the meaning set forth in *Section 5.3(g)*.

"***Title Defect Claim Date***" means 5:00 P.M. (Central Time) on the date that is 75 days after the Execution Date.

"***Title Defect Cure Deadline***" has the meaning set forth in *Section 5.3(c)*.

"***Title Defect Deductible***" has the meaning set forth in *Section 5.3(i)*.

"***Title Defect Notice***" and "***Title Defect Notices***" have the meaning set forth in *Section 5.3(a)*.

"***Title Defect Property***" has the meaning set forth in *Section 5.3(a)*.

"***Title Disputes***" has the meaning set forth in *Section 5.3(j)*.

"***Transaction Documents***" means those documents executed pursuant to or in connection with this Agreement.

"***Transfer Taxes***" has the meaning set forth in *Section 15.2(e)*.

"***Transferred Cores***" has the meaning set forth in *Section 2.1(q)*.

"***Transition Services Agreement***" means the Transition Services Agreement in a form and substance substantially similar to the form attached to this Agreement as *Exhibit U*.

"***Treasury Regulations***" means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references in this Agreement to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar, substitute, proposed or final Treasury Regulations.

"***Unit Agreements***" has the meaning set forth in *Section 2.1(d)*.

"***Units***" has the meaning set forth in *Section 2.1(d)*.

"***Water Disposal JV Interests***" has the meaning set forth in *Section 2.1(z)*.

"***Well Imbalance***" means any imbalance at the wellhead between the amount of Hydrocarbons produced from a Well and allocated to the interests of Seller therein and the shares of production from the relevant Well to which Seller is entitled, together with any appurtenant rights and obligations concerning future in kind and/or cash balancing at the wellhead.

"***Wells***" has the meaning set forth in *Section 2.1(b)*.

"***Working Interest***" means, the interest (expressed as a decimal or percentage) that is burdened with the obligation to bear and pay costs and expenses of maintenance, development and operations for (a) a Lease (or a tract thereof, if applicable) identified on *Exhibit A* (limited to the Barnett Formation), (b) a Well identified on *Exhibit B* (limited to the currently producing formation for such Well), or (c) a Well identified on *Schedule I-2* (limited to the currently completed formation) as applicable, but without regard to the effect of any Burdens; *provided*, *that* if such interest varies as to different tracts or depths covered by such Lease, a separate calculation shall be done for each such tract or depth. For the avoidance of doubt, references to Working Interest set forth on *Exhibit A* or *Exhibit B*, as applicable, shall refer to the figures reflected in the column titled (i) "Working Interest" in *Exhibit A* or (ii) "BPO Working Interest" and "APO Working Interest" in *Exhibit B* or *Schedule I-2*, as applicable.

Exhibit 2.2

EXECUTION VERSION

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

This First Amendment to Purchase and Sale Agreement (this " ***Amendment***"), dated as of April 13, 2020 (the " ***Amendment Execution Date***"), is made and entered into by and between Devon Energy Production Company, L.P., an Oklahoma limited partnership ("***Seller***"), BKV Barnett, LLC, a Delaware limited liability company ("***Buyer***"), and, solely with respect to *Sections 3.1(b)*, *3.2*, *8.1*, *8.2*, *8.3, 8.4, 8.8*, *9.17*, *13.3* and *14.2(f)* of the PSA, BKV Oil & Gas Capital Partners, L.P., a Delaware limited partnership ("***BKVLP***"). Seller and Buyer may be referred to collectively as the " ***Parties***" or individually as a "***Party***." Capitalized terms used but not defined in this Amendment shall have the meanings given to such terms in the PSA (as hereinafter defined).

WHEREAS, Seller and Buyer have entered into, and desire to amend, that certain Purchase and Sale Agreement dated as of December 17, 2019 (as further amended, restated or supplemented from time to time, the "***PSA***").

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Initial Deposit**. The Parties hereby acknowledge and agree that, (a) contemporaneously with the execution of the PSA, (i) the Parties and the Escrow Agent entered into the Escrow Agreement, and (ii) Buyer deposited on the Execution Date by wire transfer in same day funds with the Escrow Agent an amount equal to $70,000,000, and, (b) contemporaneously with the execution of this Amendment, the Parties will execute the joint written instructions attached hereto as **Annex I** and deliver such instructions to the Escrow Agent to transfer the Initial Deposit from the Escrow Agent to Seller which, upon such transfer to Seller, shall be disbursed or retained pursuant to the terms and conditions set forth in the PSA, as amended by this Amendment.

2. **Amendment to the PSA**. Notwithstanding anything to the contrary in the PSA, including Section 9.5 of the PSA, the Parties agree that the following amendments to the PSA are made effective as of the Execution Date:

(a) Exhibit A to the PSA is hereby deleted in its entirety and replaced with *Exhibit A* attached hereto.

(b) Exhibit B to the PSA is hereby deleted in its entirety and replaced with *Exhibit B* attached hereto.

(c) Exhibit G-1 to the PSA is hereby deleted in its entirety and replaced with *Exhibit G-1* attached hereto.

(d) Exhibit H-2 to the PSA is hereby deleted in its entirety and replaced with *Exhibit H-2* attached hereto.

(e) Exhibit I to the PSA is hereby deleted in its entirety and replaced with *Exhibit I* attached hereto.

(f) Exhibit L-1 to the PSA is hereby deleted in its entirety and replaced with *Exhibit L-1* attached hereto.

(g) Exhibit L-3 to the PSA is hereby deleted in its entirety and replaced with *Exhibit L-3* attached hereto.

(h) Exhibit L-4 to the PSA is hereby deleted in its entirety and replaced with *Exhibit L-4* attached hereto.

(i) Exhibit L-5 to the PSA is hereby deleted in its entirety and replaced with *Exhibit L-5* attached hereto.

(j) Exhibit M to the PSA is hereby deleted in its entirety and replaced with *Exhibit M* attached hereto.

(k) Exhibit N-1 to the PSA is hereby deleted in its entirety and replaced with *Exhibit N-1* attached hereto.

(l) Exhibit N-2 to the PSA is hereby deleted in its entirety and replaced with *Exhibit N-2* attached hereto.

(m) Exhibit O-1 to the PSA is hereby deleted in its entirety and replaced with *Exhibit O-1* attached hereto.

(n) Exhibit O-2 to the PSA is hereby deleted in its entirety and replaced with *Exhibit O-2* attached hereto.

(o) References to Exhibit U in the PSA are hereby deleted in their entirety and replaced with "**Reserved**".

(p) *Schedule 3.1(b)* attached hereto shall be added as a schedule to the PSA.

(q) Schedule 7.7 to the PSA is hereby deleted in its entirety and replaced with *Schedule 7.7* attached hereto.

(r) Schedule 7.18 to the PSA is hereby deleted in its entirety and replaced with *Schedule 7.18* attached hereto.

(s) Schedule 9.6 to the PSA is hereby deleted in its entirety and replaced with *Schedule 9.6* attached hereto.

(t) Schedule 9.13 to the PSA is hereby deleted in its entirety and replaced with *Schedule 9.13* attached hereto.

(u) Schedule ABEC to the PSA is hereby deleted in its entirety and replaced with *Schedule ABEC* attached hereto.

(v) Schedule I-2 to the PSA is hereby deleted in its entirety and replaced with *Schedule I-2* attached hereto.

(w) *Schedule OM* attached hereto shall be added as a schedule to the PSA.

(x) All references to "Purchase Price" used in the provisions of the PSA are hereby deleted and replaced with "Cash Purchase Price" unless otherwise specified in this Amendment.

(y) All references to "Adjusted Purchase Price" used in the provisions of the PSA are hereby deleted and replaced with "Adjusted Cash Purchase Price" unless otherwise specified in this Amendment.

(z) All references to "the certificate delivered by Seller pursuant to *Section 12.3(l)*" and/or "Seller's certificate to be delivered at Closing pursuant to *Section 12.3(l)*", in each case, used in the provisions of the PSA are hereby deleted and are replaced with "the certificate delivered by Seller on the Amendment Execution Date".

(aa) Section 2.3(b) to the PSA shall be amended to delete the following parenthetical beginning on the seventh line of such provision "(including any Post-Closing Consent, Medium Consent or Required Consent)" and replace such parenthetical with the following: "(including any Post-Closing Consent or Required Consent)".

(bb) Section 3.1 to the PSA is hereby deleted in its entirety and replaced with the following:

"3.1 ***Purchase Price and Earnout Amount***.

(a) Purchase Price. Subject to the terms and conditions set forth in this Agreement, the purchase price for the transfer of the Conveyed Interests and the transactions contemplated hereby shall be the sum of (i) $570,000,000.00 (the "***Cash Purchase Price***"), as adjusted pursuant to this Agreement, and (ii) the Earnout Amount, if any (the Earnout Amount, if any, together with the Cash Purchase Price, the "***Purchase Price***"). The Cash Purchase Price shall be payable by Buyer to Seller in accordance with this Agreement by wire transfer in immediately available funds to a bank account of Seller (the details of which shall be provided by Seller to Buyer in the Preliminary Settlement Statement). The Earnout Amount, if payable, shall be paid pursuant to *Section 3.1(b)* below.

(b) Earnout Amount.

(i) First Earnout Payment.

(A) If the 2021 WTI Price equals or exceeds any of the thresholds set forth in *Schedule 3.1(b)* under the column titled "WTI Threshold" (each, a "***WTI Threshold***" and collectively the "***WTI Thresholds***"), Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2021 Earnout Payment Date, no later than thirty (30) days following the applicable Determination Date (the "***2021 Earnout Payment Date***"), the amount set forth in *Schedule 3.1(b)* under the column titled "WTI Annual Earnout Amount" for the highest WTI Threshold satisfied by the 2021 WTI Price.

(B) If the 2021 Henry Hub Price equals or exceeds any of the thresholds set forth in *Schedule 3 1(b)* under the column title "Henry Hub Threshold" (each a "***Henry Hub Threshold***" and collectively the "***Henry Hub Thresholds***"), Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2021 Earnout Payment Date, on or before the 2021 Earnout Payment Date the amount set forth in *Schedule 3.1(b)* under the column titled "Henry Hub Annual Earnout Amount" for the highest Henry Hub Threshold satisfied by the 2021 Henry Hub Price.

(C) Any amounts described in *Section 3.1(b)(i)(A)* and *Section 3.1(b)(i)(B)* shall be collectively referred to as the "***First Earnout Payment***".

(ii) Second Earnout Payment.

(A) If the 2022 WTI Price equals or exceeds any of the WTI Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2022 Earnout Payment Date, no later than thirty (30) days following the applicable Determination Date (the "***2022 Earnout Payment Date***"), the amount set forth in *Schedule 3.1(b)* under the column titled "WTI Annual Earnout Amount" for the highest WTI Threshold satisfied by the 2022 WTI Price.

(B) If the 2022 Henry Hub Price equals or exceeds any of the Henry Hub Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2022 Earnout Payment Date, on or before the 2022 Earnout Payment Date the amount set forth in *Schedule 3.1(b)* under the column titled "Henry Hub Annual Earnout Amount" for the highest Henry Hub Threshold satisfied by the 2022 Henry Hub Price.

(C) Any amounts described in *Section 3.1(b)(ii)(A)* and *Section 3.1(b)(ii)(B)* shall be collectively referred to as the "***Second Earnout Payment***".

(iii) Third Earnout Payment.

(A) If the 2023 WTI Price equals or exceeds any of the WTI Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2023 Earnout Payment Date, no later than thirty (30) days following the applicable Determination Date (the "***2023 Earnout Payment Date***"), the amount set forth in *Schedule 3.1(b)* under the column titled "WTI Annual Earnout Amount" for the highest WTI Threshold satisfied by the 2023 WTI Price.

(B) If the 2023 Henry Hub Price equals or exceeds any of the Henry Hub Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2023 Earnout Payment Date, on or before the 2023 Earnout Payment Date the amount set forth in *Schedule 3.1(b)* under the column titled "Henry Hub Annual Earnout Amount" for the highest Henry Hub Threshold satisfied by the 2023 Henry Hub Price.

(C) Any amounts described in *Section 3.1(b)(iii)(A)* and *Section 3.1(b)(iii)(B)* shall be collectively referred to as the "***Third Earnout Payment***".

(iv) Fourth Earnout Payment.

(A) If the 2024 WTI Price equals or exceeds any of the WTI Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2024 Earnout Payment Date, no later than thirty (30) days following the applicable Determination Date (the "***2024 Earnout Payment Date***"), the amount set forth in *Schedule 3.1(b)* under the column titled (y) "WTI Annual Earnout Amount" for the highest WTI Threshold satisfied by the 2024 WTI Price.

(B) If the 2024 Henry Hub Price equals or exceeds any of the Henry Hub Thresholds, Buyer and Buyer Parent shall together pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer no later than five (5) days prior to the 2024 Earnout Payment Date, on or before the 2024 Earnout Payment Date the amount set forth in *Schedule 3.1(b)* under the column titled "Henry Hub Annual Earnout Amount" for the highest Henry Hub Threshold satisfied by the 2024 Henry Hub Price.

(C) Any amounts described in *Section 3.1(b)(iv)(A)* and *Section 3.1(b)(iv)(B)* shall be collectively referred to as the "***Fourth Earnout Payment***".

(v) Notwithstanding anything in this Agreement to the contrary, if any index or publisher used or referenced in calculating any Earnout Payment ceases to exist at any time on or prior to the final Determination Date, the Parties will promptly negotiate (in good faith) to identify and mutually agree upon a replacement index or publisher, as applicable, for the applicable Determination Date(s)."

(cc) Section 3.2 to the PSA is hereby deleted in its entirety and replaced with the following:

"3.2 ***Deposit***.

(a) Initial Deposit. Contemporaneously with the execution of this Agreement, (a) the Parties and the Escrow Agent are entering into the Escrow Agreement, and (b) Buyer is depositing on the Execution Date by wire transfer in same day funds with the Escrow Agent an amount equal to $70,000,000 (such amount, including all interest earned thereon, the "***Initial Deposit***"). Prior to Closing, the Parties may, by delivering executed joint written instructions to the Escrow Agent, transfer the Initial Deposit to Seller to thereafter be held or disbursed, as applicable, in accordance with the terms of this Agreement.

(b) Additional Deposit. In connection with the applicable rights and obligations of the Parties under this *Section 3.2(b)* and *Section 14.1*, on or before April 30, 2020 (the "***Additional Deposit Deadline***"), Buyer and Buyer Parent shall together deliver to Seller, by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer at least five days in advance of the Additional Deposit Deadline, an amount equal to $100,000,000 (such amount, including all interest earned thereon, the "***Additional Deposit***"). If the Additional Deposit is not delivered to Seller by the Additional Deposit Deadline, Seller shall have the rights and remedies set forth in this Agreement in Sections *14.1(g)* and *14.2(f)*. The Additional Deposit, together with the Initial Deposit for an aggregate amount of $170,000,000 (plus all interest earned thereon), shall constitute the "***Deposit***" and shall be held pursuant to the terms of this Agreement.

(c) Disbursement of the Deposit. If Closing occurs, the Deposit shall be retained by Seller and applied toward the Adjusted Cash Purchase Price at Closing. Otherwise, the Deposit shall be handled in accordance with *Section 14.2*."

(dd) Section 3.3 of the PSA shall be amended to delete the first sentence thereof and replace such sentence with the following:

"3.3 ***Adjustment to the Cash Purchase Price***. The Cash Purchase Price shall be adjusted as follows (without duplication), and the resulting amount shall be in this Agreement called the "***Adjusted Cash Purchase Price***":".

(ee) Section 3.3(b)(v) of the PSA shall be amended to delete the reference to "*5.5(b)(ii)*".

(ff) Section 3.8 of the PSA is hereby deleted in its entirety and replaced with the following:

"3.8 ***Allocated Values***. Solely for the purposes of determining the value of Conveyed Interests in connection with any Title Defect, Environmental Defect, Preferential Purchase Right, Required Consent, Casualty Loss and/or breach of Special Warranty under this Agreement, Buyer and Seller have allocated the Purchase Price among (a) the Leases set forth on *Exhibit A*, (b) the Wells set forth on *Exhibit B*, (c) the Conveyed Interests identified on *Schedule I-2* and (d) the Conveyed Interests identified on *Schedule I-3*, as set forth in this *Section 3.8*. The "***Allocated Value***" at any particular date of determination for (i) each (A) Lease set forth on *Exhibit A* and (B) each Well set forth on *Exhibit B*, shall be equal to the sum of (1) the portion of the Cash Purchase Price attributable to such Lease set forth on *Exhibit A* or such Well set forth on *Exhibit B*, as applicable, under the column titled "Allocated Value" on *Exhibit A* for such Lease or *Exhibit B* for such Well, as applicable, plus (2) the product of (y) the Earnout Amount actually paid by Buyer as of such date of determination multiplied by (z) the percentage listed under the column titled "% of Earnout Amount, to the extent paid by Buyer" for such Lease set forth on *Exhibit A* or such Well set forth on *Exhibit B*, as applicable, and (ii) each Conveyed Interest identified on *Schedule I-2* or *Schedule I-3*, shall be equal to the portion of the Cash Purchase Price attributable to such Conveyed Interest identified on (A) *Schedule I-2* under the column titled "Allocated Value" on *Schedule I-2* for such Conveyed Interest or (B) *Schedule I-3* under the column titled "Amount" on *Schedule I-3* for such Conveyed Interest. Buyer and Seller agree that such allocation is reasonable and shall not take any position inconsistent therewith, including in notices to holders of Preferential Purchase Rights. Seller, however, makes no representations or warranties as to the accuracy of such value or allocation."

(gg) Section 5.1 of the PSA is hereby deleted in its entirety and replaced with the following:

"5.1 ***General Disclaimer of Title Warranties and Representations***. Except as and to the limited extent expressly represented otherwise in *Sections 7.9, 7.14*, 7.*15*, *7.17*, *7.19(a)*, *7.20*, *7.25, 7.26, 7.31* or *7.32,* the certificate delivered by Seller on the Amendment Execution Date (solely to the extent relating to *Sections 7.9, 7.14*, 7.*15*, *7.17*, *7.19(a)*, *7.20*, *7.25, 7.26, 7.31* or *7.32*) or the Special Warranty set forth in the Assignments and Deeds and without limiting Buyer's remedies for Title Defects set forth in this Article V, Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to Seller's title to any of the Conveyed Interests, and Buyer hereby acknowledges and agrees that Buyer's sole remedy for any defect of title, including any Title Defect, with respect to Seller's title to any of the Conveyed Interests shall be (a) as set forth in *Section 5.3*, (b) pursuant to the Special Warranty set forth in the Assignments and Deeds in compliance with *Section 5.2* below and as may otherwise be limited by this Agreement and (c) as set forth in *Sections 7.9, 7.14*, 7.*15*, *7.17*, *7.19(a)*, *7.20*, *7.25, 7.26, 7.31* or *7.32* and the certificate delivered by Seller on the Amendment Execution Date (solely to the extent relating to *Sections 7.9, 7.14*, 7.*15*, *7.17*, *7.19(a)*, *7.20*, *7.25, 7.26, 7.31* or *7.32*)."

(hh) Section 5.3(i) of the PSA shall be amended to delete, in each case, the reference to "one percent (1%) of the unadjusted Purchase Price" and replace such with "one percent (1%) of the Original Purchase Price".

(ii) The following language shall be added as Section 5.5(a)(iv) of the PSA:

"(iv) Notwithstanding anything to the contrary set forth in *Section 5.5(a)(iii)*, if Buyer elects to change the Scheduled Closing Date consistent with the terms and conditions set forth in *Section 12.1*, and, as of the Closing, (A) the time period for exercising any Preferential Purchase Right has not expired without exercise by the holder thereof prior to the Closing (and such Preferential Purchase Right has not been waived in writing by the holder thereof) and (B) there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Preferential Purchase Right, then, the Conveyed Interests that are subject to such Preferential Purchase Right shall be sold to Buyer at Closing pursuant to the provisions of this Agreement, and Buyer shall be solely responsible for complying with the terms of such Preferential Purchase Right and shall be entitled to the proceeds, if any, associated with the exercise of such Preferential Purchase Right by the applicable holder thereof."

(jj) Section 5.5(b)(ii) of the PSA is hereby deleted in its entirety and replaced with the following: "**Reserved**."

(kk) Sections 5.5(b)(iii) and 5.5(b)(iv) of the PSA are hereby deleted in their entirety and replaced with the following:

"(iii) Prior to Closing, other than Post-Closing Consents (and subject to and except as otherwise provided in *Section 9.3*), and, with respect to any Required Consents that are excluded at Closing pursuant to this *Section 5.5*, for a period of 180 days after Closing, Seller and Buyer shall use their respective commercially reasonable efforts to obtain all Consents listed on *Schedule 7.4* (and any Consent that is not set forth on *Schedule 7.4* but is discovered by either Party after the Execution Date and before the Closing Date); *provided*, *however*, that neither Party shall be required to expend any monies or undertake any obligations (other than requesting such Consents) in order to obtain any such Consent (other than any ordinary course transfer fees expressly set forth in the underlying instrument, which transfer fees are described on *Schedule 5.5(b)(iii)* (which shall be borne by Buyer)). Subject to the foregoing, Buyer agrees to cooperate in good faith with Seller to provide Seller with any information or documentation that may be reasonably requested in writing by Seller and/or the Third Party holder(s) of such Consents in order to facilitate the process of obtaining such Consents, if, and to the extent, such requested information or documentation is in Buyer's or any of its Affiliates' possession or control and is not subject to any confidentiality and/or non-disclosure restrictions prohibiting or restricting Buyer's disclosure thereof.

(iv) Other than Post-Closing Consents, Required Consents or the FCC Consents, if Seller fails to obtain a Consent, and as of such date, there is no pending or threatened dispute, disagreement or Proceeding with respect to any matter related to such Consent and such Consent has not been denied in writing, then the Conveyed Interest(s) (or portion(s) thereof) subject to such un-obtained Consent shall nevertheless be assigned by Seller to Buyer at Closing as part of the Conveyed Interests and Buyer shall have no claim against Seller and hereby releases and indemnifies the Seller Indemnified Parties from any Liability to the extent arising from the failure to obtain such Consent."

(ll) The following language shall be added as Section 5.5(e) of the PSA:

"(e) Notwithstanding anything in this Agreement to the contrary, with respect to (i) each Consent set forth on *Schedule 7.4* (other than, for purposes

of clarity, the Post-Closing Consents or FCC Consents) and (ii) each Preferential Purchase Right set forth on *Schedule 7.9* to the extent related to any of the Conveyed Interests set forth on *Schedule I-3*, in each case of (i) and (ii), Buyer acknowledges that Consent requests and notices to only such Preferential Purchase Right holders, as applicable, will not be resent after the Amendment Execution Date and Buyer shall have no claim against, and hereby releases and indemnifies, the Seller Indemnified Parties from any Liability relating to such Consents or such Preferential Purchase Rights, as applicable, to the extent arising from the failure of the Parties to consummate Closing on the Original Scheduled Closing Date."

(mm) Section 6.1(e) of the PSA shall be amended to delete, in each case, the reference to "one percent (1%) of the unadjusted Purchase Price" and replace such with "one percent (1%) of the Original Purchase Price".

(nn) The lead-in paragraph of Article VII of the PSA is hereby deleted in its entirety and replaced with the following:

"Seller represents and warrants (and with respect to any Subject Property that is not operated by Seller, Seller represents and warrants to Seller's Knowledge) to Buyer, (a) with respect to all Conveyed Interests other than the Other Working Interest Owner Interests, as of the Execution Date and the Amendment Execution Date, and (b) with respect to the Other Working Interest Owner Interests if acquired by Seller prior to the Amendment Execution Date, as of the Other Working Interest Owner Acquisition Date and the Amendment Execution Date, in each case of (a) and (b), as follows:"

(oo) The lead-in paragraph of Article VIII of the PSA is hereby deleted in its entirety and replaced with the following:

"Buyer represents and warrants to Seller, as of the Execution Date, the Amendment Execution Date and the Closing Date, as follows (solely with respect to Buyer), and solely with respect to *Sections 8.1*, *8.2*, *8.3*, *8.4* and *8.8*, Buyer Parent represents and warrants to Seller, as of the Amendment Execution Date and the Closing Date, as follows:"

(pp) Sections 8.1 through 8.4 of the PSA are hereby deleted in their entity and replaced with the following:

"8.1 ***Organization, Existence and Qualification.***

(a) Buyer is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of Delaware and has all requisite power and authority to own and operate its property and to carry on its business as now conducted. Buyer is duly licensed or qualified to do business as a foreign limited liability company in all jurisdictions in which it carries on business or owns assets and such qualification is required by Law except where the failure to be so qualified would not have a material adverse effect upon the ability of Buyer to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

(b) As of the Amendment Execution Date and, only if the Corporatization Transaction does not occur prior to the Closing Date, the Closing Date, Buyer Parent is a limited partnership duly formed, validly existing and in good standing under the Laws of the State of Delaware and has all requisite power and authority to own and operate its property and to carry on its business as now conducted. As of the Amendment Execution Date and, only if the Corporatization Transaction does not occur before the Closing Date, the Closing Date, Buyer Parent is duly licensed or qualified to do business as a foreign limited partnership in all jurisdictions in which it carries on business or owns assets and such qualification is required by Law except where the failure to be so qualified would not have a material adverse effect upon the ability of Buyer Parent to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

(c) If the Corporatization Transaction occurs prior to the Closing Date, as of the Closing Date, Buyer Parent is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware and has all requisite power and authority to own and operate its property and to carry on its business as now conducted. If the Corporatization Transaction occurs prior to the Closing Date, as of the Closing Date, Buyer Parent is duly licensed or qualified to do business as a foreign corporation in all jurisdictions in which it carries on business or owns assets and such qualification is required by Law except where the failure to be so qualified would not have a material adverse effect upon the ability of Buyer Parent to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

8.2 ***Authorization, Approval and Enforceability.***

(a) Buyer has full power and authority to enter into and perform this Agreement, the Transaction Documents to which it is a party and the transactions contemplated herein and therein. The execution, delivery, and performance by Buyer of this Agreement and the Transaction Documents have been duly and validly authorized and approved by all necessary limited liability company action on the part of Buyer. This Agreement is, and the Transaction Documents to which Buyer is a party, when executed and delivered by Buyer, will be the valid and binding obligations of Buyer and enforceable against Buyer in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) As of the Amendment Execution Date and the Closing Date, Buyer Parent has full power and authority to enter into and perform this Agreement, the Transaction Documents to which it is a party and the transactions contemplated herein and therein. As of the Amendment Execution Date and the Closing Date, the execution, delivery, and performance by Buyer Parent of this Agreement and the Transaction Documents have been duly and validly authorized and approved by all necessary limited partnership or corporate action, as applicable, on the part of Buyer Parent. As of the Amendment Execution Date and the Closing Date, this Agreement is, and the Transaction Documents to which Buyer Parent is a party, when executed and delivered by Buyer Parent, will be the valid and binding obligations of Buyer Parent and enforceable against Buyer Parent in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium, and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.3 ***No Conflict***. The execution, delivery, and performance by each of Buyer and Buyer Parent of this Agreement and the Transaction Documents to which Buyer or Buyer Parent is a party and the consummation of the transactions contemplated herein and therein will not (a) conflict with or result in a breach of any provisions of the organizational or other governing documents of Buyer or Buyer Parent, (b) result in a default or the creation of any Encumbrance or give rise to any right of termination, cancellation or acceleration under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license or other agreement to which Buyer or Buyer Parent is a party or by which Buyer or Buyer Parent or any of their respective property may be bound or (c) violate any Law applicable to Buyer, Buyer Parent or any of their respective property, except in the case of *clauses (b)* and *(c)* where such default, Encumbrance, termination, cancellation, acceleration or violation would not, individually or in the aggregate, have a material adverse effect upon the ability of Buyer or Buyer Parent to consummate the transactions contemplated by this Agreement or perform its obligations hereunder.

8.4 ***Consents***. Except for Post-Closing Consents and Regulatory Approvals, there are no consents or other restrictions on assignment, including requirements for consents from any Third Party or any Governmental Authority to any assignment, in each case, that Buyer or Buyer Parent is required to obtain in connection with the consummation of the transactions contemplated by this Agreement by Buyer or Buyer Parent."

(qq) Section 8.8 of the PSA is hereby deleted in its entirety and replaced with the following:

"8.8 ***Financing***. Buyer shall have, (a) as of the Additional Deposit Deadline, access to sufficient cash in immediately available funds with which to pay the Additional Deposit; (b) as of the Scheduled Closing Date and at Closing, access to sufficient cash in immediately available funds with which to (i) pay the Closing Payment due at Closing, (ii) consummate the transactions contemplated by this Agreement and (iii) perform its obligations under this Agreement and the Transaction Documents (except for and excluding those obligations set forth in *clause (c)* of this *Section 8.8*); and (c) as of each Earnout Payment Date, access to sufficient cash in immediately available funds with which to pay such Earnout Payment."

(rr) The second sentence of Section 9.3(a) of the PSA is hereby deleted in its entirety and replaced with the following:

"On or before the Closing Date, Buyer shall obtain, or cause to be obtained in the name of Buyer, replacements for such Governmental Bonds to the extent such replacements are necessary (i) for Buyer's ownership or operation of the Conveyed Interests, and (ii) to permit the cancellation of the Governmental Bonds posted by Seller and/or any Affiliate of Seller with respect to the Conveyed Interests at Closing."

(ss) The first sentence of Section 9.3(c) of the PSA is hereby deleted in its entirety and replaced with the following:

"In the event that (i) subject to, and without limitation of *Section 9.3(b)*, any counterparty to any such Credit Support or any Designated Midstream Contract does not release Seller or any of its Affiliates from all of their obligations under such Credit Support or such Designated Midstream Contract (which failure or refusal by any such counterparty to release Seller or any of its Affiliates from any of their obligations under such Credit Support or such Designated Midstream Contract is not caused by, related to or the result of any action or inaction by or on behalf of Seller or any of its Affiliates (other than the failure by Seller or any of its Affiliates to agree to any obligations or to provide or continue any guarantees, performance bonds, letters of credit, escrow accounts or other financial assurance which, for the avoidance of doubt, neither Seller nor its Affiliates shall be required to do)), or (ii) any Governmental Authority does not permit the cancellation of any Governmental Bond posted by Seller and/or any Affiliate of Seller with respect to the Conveyed Interests (which refusal by any such Governmental Authority to permit the cancellation of any such Governmental Bond is not caused by, related to or the result of any action or inaction by or on behalf of Seller or any of its Affiliates (other than the failure by Seller or any of its Affiliates to agree to any obligations or to provide or continue any guarantees, performance bonds, letters of credit, escrow accounts or other financial assurance which, for the avoidance of doubt, neither Seller nor its Affiliates shall be required to do)), then, in each case, from and after Closing, Buyer shall indemnify Seller or any applicable Affiliate of Seller, as applicable, against all amounts incurred by Seller or any Affiliate of Seller, as applicable, under such Credit Support, such Designated Midstream Contract or such Governmental Bond (and all costs incurred in connection with such Credit Support, such Designated Midstream Contract or such Governmental Bond) if applicable to the Conveyed Interests acquired by Buyer."

(tt) Section 9.13 of the PSA shall be deleted in its entirety and replaced with the following:

"9.13 ***NAESB Base Contracts***. Buyer shall use, and shall cause Concord, as applicable, to use, commercially reasonable efforts to negotiate with the counterparties set forth on *Schedule 9.13* to enter into a NAESB Base Contract for the Sale and Purchase of Natural Gas prior to Closing on terms mutually agreed to by the Parties; *provided*, *however*, that, subject to *Section 9.3(b)*, Buyer's or Concord's, as applicable, commercially reasonable efforts shall not include the obligation to expend any monies or undertake any obligations (other than the obligation to negotiate with such counterparties)."

(uu) The following language shall be added as Section 9.16 of the PSA:

"9.16 ***Gulf South Firm Transportation Agreement and Southern Company Confirmations.***

(a) On or prior to May 30, 2020, the Parties shall (i) execute and file with FERC the Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies and (ii) thereafter, execute and/or deliver, or shall cause to be executed and/or delivered, any information, documentation or otherwise, and shall take such other actions, as may be requested by FERC or the other Party related to such joint petition to obtain the requested waivers on or prior to Closing.

(b) Notwithstanding anything in this Agreement to the contrary and without limiting or modifying the Parties obligations set forth in *Section 13.1(a)* or *Section 13.1(b)*, in the event FERC does not grant the waivers requested pursuant to the Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies on or prior to the date that is fifteen days before the Scheduled Closing Date, the Parties hereby agree that the assignment of

the Gulf South Firm Transportation Agreement from Seller to Buyer will occur on the date on which the Transition Services Agreement terminates in accordance with its terms (the "***Subsequent Conveyance Date***"). To the extent FERC does not grant the waivers requested pursuant to the Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies on or prior to the date that is fifteen days before the Scheduled Closing Date, Buyer hereby agrees to comply with all FERC capacity release requirements to facilitate the transactions contemplated by this *Section 9.16*. Following the Subsequent Conveyance Date, the Gulf South Firm Transportation Agreement will be deemed to automatically transfer to Buyer pursuant to the terms and conditions set forth in the Assignments. Except as otherwise set forth in this *Section 9.16(b)* and subject to any agency agreement executed by the Parties or any Third Party pursuant to the terms and conditions set forth in the Transition Services Agreement, the Gulf South Firm Transportation Agreement will be treated as a "Conveyed Interest" under this Agreement from and after Closing.

(c) Notwithstanding anything in this Agreement to the contrary and without limiting or modifying the Parties obligations set forth in *Section 13.1(a)* or *Section 13.1(b)*, the Parties hereby agree that the novation of the Southern Company Confirmations from Seller to Concord Energy, LLC ("***Concord***") (as marketing agent for Buyer) will occur on the Subsequent Conveyance Date and Seller shall use commercially reasonable efforts to effectuate such novation as of such date. Except as otherwise set forth in this *Section 9.16(c)*, the Southern Company Confirmation will be treated as a "Conveyed Interest" under this Agreement from and after Closing."

(vv) The following language shall be added as Section 9.17 of the PSA:

"9.17 ***Certain Buyer Parent Restrictions and Obligations***.

(a) From and after the Amendment Execution Date until the Additional Deposit Deadline, Buyer Parent shall continue to own and control, directly or indirectly, all of the assets and interests which are directly or indirectly owned or controlled by BKVLP as of the Amendment Execution Date.

(b) From and after the Amendment Execution Date until the 2024 Earnout Payment Date, Buyer Parent will maintain sufficient credit or other capital resources to fund the obligations under this Agreement, including the payment of the Additional Deposit pursuant to *Section 3.2(b)* and the Earnout Payments, if applicable, pursuant to *Section 3.1(b)*, and Buyer Parent will provide Seller audited year-end financial statements (prepared in accordance with GAAP) evidencing such sufficient credit or capital resources of Buyer Parent on an annual basis within ninety (90) days after the end of the applicable calendar year; *provided however*, Seller agrees to keep such financial statements confidential and such financial statements shall be provided to Seller subject to a mutually acceptable confidentiality agreement executed by the Parties.

(c) Simultaneously with the Corporatization Transaction, BKVLP shall cause BKVCorp to execute and deliver to Seller an assumption agreement in form reasonably acceptable to and enforceable by Seller (the "***BKVCorp Assumption***") pursuant to which BKVCorp acknowledges and agrees that it is bound by all of BKVLP's obligations under this Agreement."

(ww) The following language shall be added as Section 9.18 of the PSA:

"9.18 ***Transition Services Agreement***. The Parties hereby agree that the Transition Services Agreement to be executed and delivered at Closing pursuant to *Section 12.3(t)* shall (a) have a term no longer than three calendar months following the Closing Date, (b) be limited to accounting, marketing, tax matters and information system services, in each case, to be further defined therein and (c) include covenants whereby the Parties agree to act in good faith to execute and deliver at Closing agency agreements or any other similar agreement as may be necessary or required to perform the marketing services pursuant to the terms and conditions set forth in the Transition Services Agreement."

(xx) The following language shall be added as Section 9.19 of the PSA:

"Section 9.19. ***Other Matters***. The provisions of Section 1 of *Schedule OM* are incorporated herein by reference.".

(yy) Sections 10.1, 10.2, 10.3, 10.4 and 10.6 are each hereby deleted in their entirety and replaced with "**Reserved.**".

(zz) Sections 11.1 and 11.2 of the PSA shall be deleted in their entirety and replaced with the following:

"11.1 ***Representations***. The representations and warranties of (a) Buyer set forth in *Article VIII* and (b) Buyer Parent set forth in *Sections 8.1*, *8.2, 8.3* and *8.4*, in each case of (a) and (b), (i) that are qualified by materiality qualifiers shall be true and correct in all respects (such qualifiers by their terms shall be applicable for purposes of this *Section 11.1*), and (ii) that are not qualified by materiality qualifiers shall be true and correct in all material respects, in each case, on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date).

11.2 ***Performance***. (a) Buyer shall have performed or complied with all material obligations, agreements, and covenants contained in this Agreement in all material respects as to which performance or compliance by Buyer is required prior to or at the Closing Date and (b) Buyer Parent shall have performed or complied with *Section 9.17* in all material respects prior to the Closing Date."

(aaa) Section 11.4 of the PSA shall be amended to delete the reference to "20% of the unadjusted Purchase Price" and replace such with "20% of the Original Purchase Price".

(bbb) Section 12.1 of the PSA is hereby deleted in its entirety and replaced with the following:

"12.1 ***Date of Closing***. Subject to the conditions stated in this Agreement, the sale by Seller and the purchase by Buyer of the Conveyed Interests pursuant to this Agreement (the "***Closing***") shall occur on (a) December 31, 2020, (b) an earlier date elected by Buyer in writing and delivered to Seller no later than forty-five days prior to such elected date, or (c) such other date as Buyer and Seller may agree upon in writing (such date, the "***Scheduled Closing Date***"). For the avoidance of doubt, if Buyer does not so notify Seller of such elected date in connection with *clause (b)* above in compliance therewith, the Scheduled Closing Date shall be December 31, 2020 (unless Buyer and Seller agree otherwise in writing pursuant to *clause (c)* above). If *Section 9.19(c)* applies, subject to the conditions stated in this Agreement, Closing shall occur on the Extension Date. The date on which the Closing actually occurs shall be the "***Closing Date.***"

(ccc) Sections 12.3(h) and 12.3(l) of the PSA are each hereby deleted in their entirety and replaced with "**Reserved;**"

(ddd) Section 12.3(m) of the PSA is hereby deleted in its entirety and replaced with the following:

"(m) (i) an authorized officer of Buyer shall execute and deliver a certificate, dated as of Closing, certifying that the conditions set forth in *Section 11.1* and *Section 11.2* have been fulfilled (solely as to Buyer) and, if applicable, any exceptions to such conditions that have been waived by Seller and (ii) an authorized officer of Buyer Parent shall execute and deliver a certificate, dated as of Closing, certifying that the conditions set forth in *Section 11.1* and *Section 11.2* have been fulfilled (solely as to Buyer Parent) and, if applicable, any exceptions to such conditions that have been waived by Seller;"

(eee) Section 12.3(q) of the PSA is hereby deleted in its entirety and replaced with the following:

"(q) the provisions of Section 2 of *Schedule OM* are incorporated herein by reference.".

(fff) Section 12.3(v) of the PSA is hereby deleted in its entirety and replaced with the following:

"(v) the provisions of Section 3 of *Schedule OM* are incorporated herein by reference.".

(ggg) Clause (a) of Section 13.2 of the PSA is hereby deleted in its entirety and replaced with the following:

"(a) any breach or inaccuracy of any representation or warranty made by Seller in *Article VII* or in the certificate delivered by Seller on the Amendment Execution Date;"

(hhh) Section 13.3 of the PSA is hereby deleted in its entirety and replaced with the following:

"13.3 ***Indemnities of Buyer***. Effective as of Closing, Buyer and Buyer Parent (solely with respect to the provisions set forth in *Sections 3.1(b)*, *8.1*, *8.2*, *8.3*, *8.4*, *8.8* and *9.17*), shall assume and be responsible for, shall pay on a current basis, and hereby defends, indemnifies, holds harmless and forever releases Seller and its Affiliates, and all of their respective stockholders, partners, members, directors, officers, managers, employees, attorneys, consultants, agents and other Representatives (collectively, the "***Seller Indemnified Parties***") from and against any and all Liabilities, without duplication, whether or not relating to Third Party Claims or incurred in asserting, preserving or enforcing any of their respective rights hereunder arising from or based upon:

(a) any breach or inaccuracy of any representation or warranty made by Buyer in *Article VIII* or Buyer Parent (solely with respect to *Sections 8.1*, *8.2*, *8.3* and *8.4*) or in the certificates delivered by Buyer and Buyer Parent pursuant to *Section 12.3(m)*;

(b) any breach, nonfulfillment of or failure to perform by or on behalf of Buyer, Buyer Parent (solely with respect to *Sections 3.1(b)* and *9.17*) or any of their Affiliates of any of Buyer's or Buyer Parent's (solely with respect to *Sections 3.1(b)* and *9.17*) covenants or agreements under this Agreement; or

(c) the Assumed Obligations."

(iii) Sections 13.4(b) and 13.4(c) of the PSA are hereby deleted in their entirety and replaced with following:

"(b) Notwithstanding anything in this Agreement to the contrary, except with respect to Seller's Liability for indemnity obligations with respect to any breach or inaccuracy of any of its Specified Representations or the Other Representations, Seller shall not be required to indemnify Buyer under *Section 13.2(a)* for aggregate Liabilities in excess of an amount equal to 25% of the aggregate unadjusted Purchase Price paid by Buyer (or, if applicable, Buyer Parent) as of the applicable date of determination, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to 25% of the aggregate unadjusted Purchase Price paid by Buyer (or, if applicable, Buyer Parent) as of the applicable date of determination less the Allocated Other Working Interest Owner Amount; *provided*, *however*, that the limitations set forth in this *Section 13.4(b)* shall not apply to any Liability (or Seller's related indemnity obligations) arising out of, or based upon, Fraud.

(c) Notwithstanding anything in this Agreement to the contrary, Seller shall not be required to indemnify Buyer under this Agreement for aggregate Liabilities in excess of an amount equal to 100% of the aggregate unadjusted Purchase Price paid by Buyer (or, if applicable, Buyer Parent) as of the applicable date of determination, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to 100% of the aggregate unadjusted Purchase Price paid by Buyer (or, if applicable, Buyer Parent) as of the applicable date of determination less the Allocated Other Working Interest Owner Amount; *provided*, *however*, that the limitations set forth in this *Section 13.4(c)* shall not apply to any Liability (or Seller's related indemnity obligations) arising out of, or based upon, Fraud."

(jjj) Section 13.6 of the PSA is hereby deleted in its entirety and replaced with the following:

"13.6. ***Exclusive Remedy***. Notwithstanding anything in this Agreement to the contrary, except in the case of Fraud, from and after Closing, *Sections 4.1(c)*, *4.1(d)*, *5.5(b)*, *5.5(c)*, *5.5(e)*, *9.3*, *9.15*, *13.2* and *13.3*, the Special Warranty set forth in the Assignments and Deeds (as, and to the extent, limited by *Section 5.2(b)*), and the covenants that are to be performed after Closing by the express terms thereof (and the Parties' respective rights and remedies related thereto) contain the Parties' exclusive remedies against each other with respect to the transactions contemplated hereby, including breaches of the representations, warranties, covenants and agreements of the Parties contained in this Agreement or in any document or certificate delivered pursuant to this Agreement. Except in the case of Fraud or as specified in *Sections 4.1(c)*, *4.1(d)*, *5.5(b)*, *5.5(c)*, *5.5(e)*, *9.3*, *9.15*, *13.2* and *13.3*, as applicable, and the Special Warranty in the Assignments and Deeds, as applicable (as, and to the extent, limited by *Section 5.2(b)*), effective as of Closing, each Party, on its own behalf and on behalf of the Buyer Indemnified Parties or Seller Indemnified Parties, as applicable, hereby releases, remises and forever discharges the other Party and its Affiliates and all of such Persons' equityholders, partners, members, directors, officers, employees, agents, advisors, and representatives from any and all suits, legal or administrative proceedings, claims, demands, damages, losses, costs, Liabilities, interest or causes of action whatsoever, at law or in equity, known or unknown, which such Party or its Indemnified Parties might now or subsequently have, based on, relating to or arising out of this Agreement, the transactions contemplated by this Agreement, the ownership, use or operation of any of the Conveyed Interests or the Subject Properties prior to Closing or the condition, quality, status or nature of any of the Conveyed Interests or the Subject Properties prior to Closing, including rights to contribution under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, and any similar Environmental Law, breaches of statutory or implied warranties, nuisance or other tort actions, rights to punitive damages, common law rights of contribution and rights under insurance maintained by such Party or any of its Affiliates (except as provided in *Section 5.4*)."

(kkk) The first sentence of Section 13.7 of the PSA is hereby deleted in its entirety and replaced with the following:

"13.7 ***Indemnification Procedures***. All claims for indemnification under *Sections 4.1(c)*, *5.5(b)*, *5.5(c)*, *5.5(e)*, *9.3*, *9.15*, *13.2* and *13.3* shall be asserted and resolved as follows:"

(lll) Section 13.7(b) of the PSA is hereby deleted in its entirety and replaced with the following:

"(b) To make a claim for indemnification under *Sections 4.1(c)*, *5.5(b)*, *5.5(c)*, *5.5(e)*, *9.3*, *9.15*, *13.2* or *13.3*, an Indemnified Party shall promptly notify the Indemnifying Party in writing of its claim under this *Section 13.7*, including, the specific details of and specific basis under this Agreement for its claim (the "***Claim Notice***"). In the event that the claim for indemnification is based upon a claim by a Third Party against the Indemnified Party (a " ***Third Party Claim***"), the Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; *provided* that the failure of any Indemnified Party to give notice of a Third Party Claim as provided in this *Section 13.7(b)* shall not relieve the Indemnifying Party of its obligations under *Sections 4.1(c)*, *5.5(b)*, *5.5(c)*, *5.5(e)*, *9.3*, *9.15*, *13.2* or *13.3* (as applicable) except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Third Party Claim or otherwise materially prejudices the Indemnifying Party's ability to defend against the Third Party Claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement that was inaccurate or breached."

(mmm) Section 14.1 of the PSA is hereby deleted in its entirety and replaced with the following:

"14.1 ***Right of Termination***. This Agreement and the transactions contemplated in this Agreement may be terminated at any time prior to Closing by delivery of written notice to the other Party:

(a) by the mutual prior written consent of Seller and Buyer;

(b) **Reserved**;

(c) by Seller, at Seller's option, if Closing does not occur on the Scheduled Closing Date (unless *Section 9.19(c)* applies, in which case on the Extension Date) other than as a result of Seller's failure to satisfy the condition set forth in *Section 10.5*, which, if not timely cured by Seller (or otherwise waived in writing by Buyer) would give Buyer the right to terminate this Agreement pursuant to *Section 14.1(d)*. For the avoidance of doubt, if the other requirements of Buyer specified in *Section 14.1(d)(ii)* and *Section 14.1(d)(iii)* below are not satisfied, Seller may terminate this Agreement pursuant to this *Section 14.1(c)*;

(d) by Buyer, at Buyer's option, if (i) the condition set forth in *Section 10.5* is not satisfied by Seller (or waived in writing by Buyer) as of the Scheduled Closing Date (unless *Section 9.19(c)* applies, in which case as of the Extension Date) and, following written notice thereof from Buyer to Seller specifying the reason such condition is unsatisfied (including any breach by Seller of *Section 12.3*), such condition remains unsatisfied for a period of ten Business Days after Seller's receipt of written notice thereof from Buyer, (ii) as of the Scheduled Closing Date (unless *Section 9.19(c)* applies, in which case as of the Extension Date), the conditions set forth in *Article XI* have been satisfied or waived by Seller (with respect to *Section 11.6*, for the avoidance of doubt, subject to *Section 9.10(b)*), and (iii) as of the Scheduled Closing Date (unless *Section 9.19(c)* applies, in which case as of the Extension Date), Buyer is ready, willing and able (subject to obtaining or satisfying the Regulatory Approvals) to perform all of its agreements contained herein which are to be performed or observed by Buyer at or in connection with the Closing (including, for the avoidance of doubt, delivery of the Closing Payment in accordance with *Section 12.3(g)*); *provided*, *however*, that notwithstanding the foregoing, Buyer shall not have the right to terminate under this *Section 14.1(d)* if Seller has the right to terminate under *Section 14.1(e)* or *Section 14.1(h)*;

(e) by either Seller or Buyer if (i) any Governmental Authority shall have issued a final non-appealable order enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or (ii) CFIUS has informed Seller in a final decision at the end of the investigation time period allowed under the DPA that there is no mitigation that will resolve the identified national security risk associated with the transactions contemplated by this Agreement;

(f) by Seller if the condition set forth in *Section 11.4* is not satisfied as of the Scheduled Closing Date (unless *Section 9.19(c)* applies, in which case as of the Extension Date);

(g) by Seller if the Additional Deposit is not delivered to Seller as of the Additional Deposit Deadline;

(h) the provisions of Section 4 of *Schedule OM* are incorporated herein by reference; *provided*, *however*, that Buyer shall not be entitled to terminate this Agreement pursuant to *Sections 14.1(d)* above if Buyer or its Affiliates are, at such time, in breach of this Agreement such that the conditions set forth in *Section 11.1* or *Section 11.2* are not satisfied."

(nnn) Section 14.2 of the PSA is hereby deleted in its entirety and replaced with the following:

"14.2 ***Effect of Termination.***

(a) If this Agreement, including the obligation to close the transactions contemplated hereby, is terminated pursuant to any provision of *Section 14.1* hereof, then, except for the provisions of *Article I*, *Sections 3.2(b)*, *4.1(c)* through *4.1(e)*, *4.2*, *4.3*, *8.8*, *9.6(a)*, *9.15*, *13.9*, this *Section 14.2*, *Section 14.3*, *Article XV* (other than *Sections 15.2(a)* through *(g)*, *15.7*, *15.8*, *15.16*, and *15.18*) and such of the defined terms in *Appendix I* to give context to the surviving provisions, this Agreement shall forthwith become void and the Parties shall have no Liability or obligation hereunder.

(b) If Seller has the right to terminate this Agreement pursuant to *Section 14.1(c)*, then, in such event, Seller shall have the right to, at its option, as Seller's sole and exclusive remedy, terminate this Agreement pursuant to *Section 14.1(c)* and retain the Deposit as liquidated damages and not as a penalty for such termination, free and clear of any claims thereon by Buyer or any of its Affiliates, and thereafter, all other rights, remedies and obligations of any Party arising under this Agreement (except for the provisions that survive pursuant to *Section 14.2(a)*, which shall remain in full force and effect) are hereby expressly waived by the Parties. THE PARTIES ACKNOWLEDGE AND AGREE THAT (x) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION UNDER *SECTION 14.1(c)* MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (y) THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(b)* AND (z) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

(c) If Buyer has the right to terminate this Agreement pursuant to *Section 14.1(d)*, then, in any such event, Buyer shall have the right, at its option, to (i) in lieu of terminating this Agreement, obtain all remedies available at law or in equity, including specific performance by Seller or (ii) terminate this Agreement by written notice to Seller and Seller shall, within two (2) Business Days of the date of such termination, disburse the Deposit to Buyer, free and clear of any claims thereon by, through or under Seller or any of its Affiliates, and thereafter, all other rights, remedies and obligations of any Party arising under this Agreement (except for the provisions that survive pursuant to *Section 14.2(a)*, which shall remain in full force and effect) are hereby expressly waived by the Parties. Seller hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to specifically enforce the terms and provisions of this Agreement pursuant to this *Section 14.2(c)*. Buyer shall not be required to provide any bond or other security in connection with seeking an injunction or injunctions to enforce specifically the terms and provisions of this Agreement pursuant to this *Section 14.2(c)*.

(d) Without limitation of any of Seller's rights or remedies under *Section 14.2(b)* above, in the event that (i) this Agreement is terminated under *Section 14.1* (except pursuant to *Section 14.1(g)*) and (ii) (y) Buyer is not entitled to the disbursement of the Deposit under *Section 14.2(c)* or (z) Seller is not entitled to retain (1) the Deposit under *Section 14.2(b)* or *Section 14.2(g)* or (2) the CFIUS Termination Fee under *Section 14.2(e)*, then Seller shall be entitled, as its sole and exclusive remedy, to retain the Deposit, as liquidated damages and not as a penalty for such termination, free and clear of any claims thereon by, through or under Buyer or any of its Affiliates. THE PARTIES ACKNOWLEDGE AND AGREE THAT (A) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION DESCRIBED IN THE FIRST SENTENCE OF THIS *SECTION 14.2(d)*, MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (B) THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(d)* AND (C) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

(e) If Seller or Buyer terminates this Agreement pursuant to *Section 14.1(e)*, Seller shall be entitled to retain the Deposit as the CFIUS Termination Fee as Seller's sole and exclusive remedy for such termination as liquidated damages and not as a penalty, free and clear of any claims thereon by, through or under Buyer or any of its Affiliates. THE PARTIES ACKNOWLEDGE AND AGREE THAT (x) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION DESCRIBED IN THE FIRST SENTENCE OF THIS *SECTION 14.2(e)*, MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (y) THE CFIUS TERMINATION FEE IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(e)* AND (z) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

(f) If Seller has the right to terminate this Agreement pursuant to *Section 14.1(g)*, then, in such event, Seller shall have the right to (i) terminate this Agreement by written notice to Buyer and retain the Initial Deposit (subject to Seller's right to pursue the remedy in *clause (ii)* following which shall be in addition to and not in lieu of the remedy in this *clause (i)*) and (ii) obtain all remedies available at law or in equity, including specific performance by Buyer and Buyer Parent to compel Buyer and Buyer Parent to deliver to Seller the Additional Deposit, in the case of (i) and (ii) collectively, as liquidated

damages and not as a penalty for such termination, free and clear of any claims thereon by, through or under Buyer, Buyer Parent or any of their Affiliates, and thereafter, and without limiting the rights and remedies set forth in (i) and (ii) above, all other rights, remedies and obligations of any Party arising under this Agreement (except for the provisions that survive pursuant to *Section 14.2(a)*, which shall remain in full force and effect) are hereby expressly waived by the Parties. Buyer and Buyer Parent hereby agree not to raise any objections to the availability of the equitable remedy of specific performance to specifically compel Buyer and Buyer Parent to deliver to Seller the Additional Deposit. Seller shall not be required to provide any bond or other security in connection with seeking an injunction or injunctions in connection therewith. THE PARTIES ACKNOWLEDGE AND AGREE THAT (x) SELLER'S ACTUAL DAMAGES RESULTING FROM A TERMINATION UNDER *SECTION 14.1(g)* MAY BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (y) THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF SELLER'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SELLER UNDER THE CIRCUMSTANCES SET FORTH IN THIS *SECTION 14.2(f)* AND (z) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY.

(g) The provisions of Section 5 of *Schedule OM* are incorporated herein by reference."

(ooo) The section reference "*Section 15.2(b)*" set forth in the first line of Section 15.2(b) of the PSA shall be deleted in its entirety and replaced with "*Section 15.2(a)*".

(ppp) The last sentence of Section 15.2(d)(ii) of the PSA is hereby deleted in its entirety and replaced with the following:

"With respect to the U.S. federal income Tax Return (and related Schedules K-1) and the Texas franchise Tax Return of the Tarrant Salt Walter Disposal Joint Venture for the 2020 Tax period, (A) Seller shall (i) prepare (or cause to be prepared) such Tax Returns in accordance with past practices (unless otherwise required by applicable Law), (ii) with respect to such U.S. federal income Tax Return, to the extent the Closing Date is prior to December 31, 2020, allocate all items of income, gain, loss, deduction and credit allocable to the Water Disposal JV Interest between Seller and Buyer as of the Closing Date based on the "interim closing method" under Section 706 of the Code and the Treasury Regulations thereunder, and (iii) submit such Tax Returns to Buyer for its review and comment reasonably in advance of the due date therefor; (B) Buyer shall timely file (or cause to be timely filed) such Tax Returns (as revised by Seller to incorporate Buyer's reasonable comments) and will provide copies thereof to Seller; and (C) with respect to such U.S. federal income Tax Return, Seller (or any of its Affiliates) shall be appointed as the "partnership representative" (as defined in Section 6223 of the Code and the applicable Treasury Regulations) on such Tax Return, and Seller or its Affiliate, as applicable, shall use commercially reasonable efforts to make a "push-out" election under Section 6226 of the Code with respect to any imputed underpayment that is asserted with respect to such Tax Return."

(qqq) Section 15.3 of the PSA is hereby deleted in its entirety and replaced with the following:

"15.3 ***Assignment***. Subject to the provisions of *Section 15.18*, this Agreement may not be assigned by (a) Buyer or Buyer Parent without the prior written consent of Seller; provided, however, (i) BKVLP and its applicable Affiliates shall be entitled to consummate the Corporatization Transaction and (ii) BKVLP shall be expressly permitted to assign this Agreement and all of its rights, remedies and obligations hereunder to BKVCorp in connection with, and pursuant to, the Corporatization Transaction, in each case, without the prior written consent of Seller, and provided that the BKVCorp Assumption has been delivered to Seller, or (b) Seller without the prior written consent of Buyer and Buyer Parent, in each case of (a) and (b), and any such assignment without such consent shall be void ab initio. Notwithstanding the foregoing, Buyer shall have the right to designate an Affiliate of Buyer as an assignee for all or part of the Conveyed Interests to be conveyed by Seller at Closing. No assignment of any rights hereunder by a Party or Buyer Parent shall relieve such Party or Buyer Parent of any obligations and responsibilities hereunder. Any assignment or other transfer by Buyer or its successors and assigns of any of the Conveyed Interests shall not relieve Buyer Parent, Buyer or their successors or assigns of any of their obligations (including indemnity obligations) hereunder, as to the Conveyed Interests so assigned or transferred."

(rrr) Section 15.8 of the PSA is hereby deleted in its entirety and replaced with the following:

"15.8 ***Filings, Notices and Certain Governmental Approvals***. Promptly after Closing, Buyer shall, at its sole expense, (a) record all assignments and deeds, including the Assignments and the Deeds executed at Closing in the records of the applicable Governmental Authority (including any federal or state agencies, if applicable), (b) if applicable, send notices to vendors supplying goods and services for the Conveyed Interests and to the operator of the applicable Subject Properties of the assignment of the Conveyed Interests to Buyer, (c) actively pursue and obtain the unconditional approval of all applicable Governmental Authorities of the assignment of the Conveyed Interests to Buyer, (d) file and actively pursue approvals from the applicable Governmental Authority of all federal and state change of operator forms set forth in *Section 12.3(k)*, and (e) actively pursue all other consents and approvals that may be required in connection with the assignment of the Conveyed Interests to Buyer and the assumption of the Liabilities assumed by Buyer hereunder, in each case, that shall not have been obtained prior to Closing."

(sss) Section 15.12 of the PSA is hereby deleted in its entirety and replaced with the following:

"15.12 ***Amendment***. This Agreement may be amended, restated, supplemented or otherwise modified only by an instrument in writing executed by Buyer, Buyer Parent and Seller and expressly identified as an amendment, restatement, supplement or modification."

(ttt) Sections 15.13, 15.14, 15.15, 15.17 and 15.19 of the PSA shall apply to Buyer Parent, *mutatis mutandis*, as such provisions apply to Buyer.

(uuu) Section 15.20 of the PSA is hereby deleted in its entirety and replaced with the following:

"15.20 ***Liability Matters***. Buyer and Seller shall not, and shall cause the Buyer Indemnified Parties and the Seller Indemnified Parties not to, assert or threaten any claim or other method of recovery, in contract, in tort or under statute or other applicable Law, against any Person other than Buyer, Buyer Parent (solely with respect to *Sections 3.1(b)*, *3.2*, *8.1*, *8.2*, *8.3, 8.4*, *8.8*, *9.17*, *13.3* and *14.2(f)*) and Seller. Buyer and Seller, as applicable, shall be liable for all attorneys' fees and court costs arising from its breach of this *Section 15.20*."

(vvv) The following language shall be added as Section 15.24 of the PSA:

"15.24 ***Joint and Several Liability***. The Parties agree that Buyer and Buyer Parent shall be jointly and severally liable, without duplication, for the representations and warranties, covenants, obligations and liabilities of Buyer Parent or Buyer and Buyer Parent, as applicable, set forth in *Sections 3.1(b)*, *3.2*, *8.1*, *8.2*, *8.3, 8.4*, *8.8*, *9.17*, *13.3* and *14.2(f)*."

(www) Appendix I of the PSA is hereby amended to add the following definitions:

(i) "***2021 Earnout Payment Date***" has the meaning set forth in Section 3.1(b)(i)(A).

(ii) "***2021 Henry Hub Price***" means the average of the daily Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily for each day in calendar year 2021 reported prior to the applicable Determination Date.

(iii) "***2021 WTI Price***" means the average of the daily settled WTI prices reported by the CME for each day in calendar year 2021 reported prior to the applicable Determination Date.

(iv) "***2022 Earnout Payment Date***" has the meaning set forth in Section 3.1(b)(ii)(A).

(v) "***2022 Henry Hub Price***" means the average of the daily Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily for each day in calendar year 2022 reported prior to the applicable Determination Date.

(vi) "***2022 WTI Price***" means the average of the daily settled WTI prices reported by the CME for each day in calendar year 2022 reported prior to the applicable Determination Date.

(vii) "***2023 Earnout Payment Date***" has the meaning set forth in Section 3.1(b)(iii)(A).

(viii) "***2023 Henry Hub Price***" means the average of the daily Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily for each day in calendar year 2023 reported prior to the applicable Determination Date.

(ix) "***2023 WTI Price***" means the average of the daily settled WTI prices reported by the CME for each day in calendar year 2023 reported prior to the applicable Determination Date.

(x) "***2024 Earnout Payment Date***" has the meaning set forth in Section 3.1(b)(iv)(A).

(xi) "***2024 Henry Hub Price***" means the average of the daily Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily for each day in calendar year 2024 reported prior to the applicable Determination Date.

(xii) "***2024 WTI Price***" means the average of the daily settled WTI prices reported by the CME for each day in calendar year 2024 reported prior to the applicable Determination Date.

(xiii) "***Additional Deposit***" has the meaning set forth in *Section 3.2(b)*.

(xiv) "***Additional Deposit Deadline***" has the meaning set forth in Section 3.2(b).

(xv) "***Adjusted Cash Purchase Price***" has the meaning set forth in Section 3.3.

(xvi) "***Amendment Execution Date***" means April 13, 2020.

(xvii) "***BKVCorp Assumption***" has the meaning set forth in *Section 9.17(c)*.

(xviii) "***Buyer Parent***" means, (a) prior to the consummation of the Corporatization Transaction, BKV Oil & Gas Capital Partners, L.P., a Delaware limited partnership ("***BKVLP***") and (b) from and after the consummation of the Corporatization Transaction, BKV Corporation, a Delaware Corporation ("***BKVCorp***").

(xix) "***Cash Purchase Price***" has the meaning set forth in *Section 3.1(a)*.

(xx) "***CME***" means the Chicago Mercantile Exchange.

(xxi) "***Concord***" has the meaning set forth in *Section 9.16(c)*.

(xxii) "***Corporatization Transaction***" means that certain transaction (or series of related transactions) pursuant to which BKVLP shall assign and transfer (or be deemed to have assigned and transferred), whether through operation of law or otherwise, to BKVCorp all of BKVLP's assets, interests, rights, claims, liabilities and obligations, including this Agreement and all of BKVLP's rights, remedies and obligations arising hereunder.

(xxiii) "***Determination Date***" means, with respect to each Earnout Payment, the second Wednesday of December of the applicable calendar year in which such Earnout Payment may be earned by Seller. For the avoidance of doubt, the Determination Date (a) for the First Earnout Payment, is December 8, 2021; (b) for the Second Earnout Payment, is December 14, 2022; (c) for the Third Earnout Payment, is December 13, 2023 and (d) for the Fourth Earnout Payment, is December 11, 2024.

(xxiv) "***Earnout Amount***" means the sum of (a) the First Earnout Payment, (b) the Second Earnout Payment, (c) the Third Earnout Payment and (d) the Fourth Earnout Payment, as applicable.

(xxv) "***Earnout Payment***" means each of (a) the First Earnout Payment, (b) the Second Earnout Payment, (c) the Third Earnout Payment or (d) the Fourth Earnout Payment, as applicable.

(xxvi) "***Earnout Payment Date***" means (a) the 2021 Earnout Payment Date, (b) the 2022 Earnout Payment Date, (c) the 2023 Earnout Payment Date or (d) the 2024 Earnout Payment Date, as applicable.

(xxvii) "***Enterprise Firm Transportation Agreement***" means (a) the Firm Gas Transportation Agreement for Intrastate Service No. 8710FTSA dated August 1, 2009 (as amended), by and between Enterprise Texas Pipeline LLC and DGS and (b) the NGPA Section 311 Service No. 8710FTSE dated August 1, 2009 (as amended), by and between Enterprise Texas Pipeline LLC and DGS.

(xxviii) "***Extension Date***" has the meaning set forth in clause (c) of Section 1 of *Schedule OM*.

(xxix) "***First Earnout Payment***" has the meaning set forth in Section 3.1(b)(i)(C).

(xxx) "***Fourth Earnout Payment***" has the meaning set forth in Section 3.1(b)(iv)(C).

(xxxi) "***Gulf South Firm Transportation Agreement***" means the FTS Service Agreement (Gulf South Agreement/Contract No. 51759, Devon Agreement No. 99-300-0647) between DGS and Gulf South Pipeline Company, LP dated January 1, 2020, which superseded and replaced the FT Services Agreement No. 2023 dated August 29, 2018, but effective as of September 1, 2019, between DGS and Gulf Crossing Pipeline Company LLC, less and except the Excluded Transportation.

(xxxii) "***Henry Hub Threshold***" or "***Henry Hub Thresholds***" has the meaning set forth in Section 3.1(b)(i)(B).

(xxxiii) "***Initial Deposit***" has the meaning set forth in *Section 3.1(a)*, with such amount to be transferred from the Escrow Agent to Seller on the Amendment Execution Date.

(xxxiv) "***Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies***" means the Joint Petition for Temporary Waiver of Capacity Release Regulations and Policies, in a form to be mutually agreed upon by Buyer and Seller, whereby the Parties seek temporary waivers of certain FERC requirements from FERC in order to effectuate a permanent release of the firm capacity under the Gulf South Firm Transportation Agreement from Seller to Buyer on or after Closing.

(xxxv) "***Original Purchase Price***" means $770,000,000.

(xxxvi) "***Original Scheduled Closing Date***" means April 15, 2020.

(xxxvii) "***Second Earnout Payment***" has the meaning set forth in Section 3.1(b)(ii)(C).

(xxxviii) "***Southern Company Confirmations***" means (a) that certain Gas Sales Confirmation No. 370912 dated as of June 1, 2019, between DGS and Southern Company Services, Inc. and (b) that certain Gas Sales Confirmation No. 370913 dated as of June 1, 2019, between DGS and Southern Company Services, Inc.

(xxxix) "***Subsequent Conveyance Date***" has the meaning set forth in Section 9.16(b).

(xl) "***Third Earnout Payment***" has the meaning set forth in Section 3.1(b)(iii)(C).

(xli) "***WTI Threshold***" or "***WTI Thresholds***" has the meaning set forth in Section 3.1(b)(i)(A).

(xxx) Appendix I of the PSA is hereby amended to replace or amend the following definitions set forth therein with the following:

(i) "***Closing Payment***" means the Cash Purchase Price, as adjusted at Closing less (a) the Deposit and (b) if applicable, the Defect Escrow Amount.

(ii) "***Deposit***" has the meaning set forth in *Section 3.2(b)*.

(iii) "***Designated Midstream Contracts***" means:

(a) (i) the Priority Intrastate Gas Transportation Agreement dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS, (ii) the NGPA 311 Interruptible Gas Transportation Service Agreement dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS and (iii) the Subscription Agreement for Additional Transportation Capacity dated as of October 1, 2011 (as amended), by and between Atmos Pipeline – Texas and DGS;

(b) (i) the Priority Intrastate Gas Transportation Agreement dated January 1, 2017, by and between Atmos Pipeline – Texas and DGS, (ii) the NGPA 311 Interruptible Gas Transportation Service Agreement dated as of January 1, 2017, by and between Atmos Pipeline – Texas and DGS and (iii) the Subscription Agreement dated as of January 1, 2017, by and between Atmos Pipeline – Texas and DGS;

(c) the Enterprise Firm Transportation Agreement; and

(d) the Gulf South Firm Transportation Agreement.

(iv) "***Excluded Assets and Other Matters***" shall be amended to delete the reference to "*5.5(b)(ii)*" in clause (aa) of such definition.

(v) "***Excluded Transportation***" means 200,000 dth/day of firm capacity under the Gulf South Firm Transportation Agreement, from Sherman (Enterprise, Receipt SLN 22329) to Rock Springs/Scott Mtn Gulf South Lease, Delivery SLN 22340, for the remainder of the term of the agreement.

(vi) "***Indemnity Deductible***" means an amount equal to one and one-half percent (1.50%) of the Original Purchase Price, or, in the event Seller does not acquire the Other Working Interest Owner Interests prior to the Closing Date in accordance with *Section 9.14*, an amount equal to one and one-half percent (1.50%) of the Original Purchase Price less the Allocated Other Working Interest Owner Amount.

(vii) "***Transition Services Agreement***" means the Transition Services Agreement in a form to be mutually agreed upon by the Parties prior to Closing, as necessary to reflect the terms and conditions set forth in *Section 9.18*.

(yyy) Appendix I of the PSA is hereby amended to delete the following definition:

(i) "***Adjusted Purchase Price***" has the meaning set forth in Section 3.3.

(ii) "***Medium Consent***" means a Consent set forth in a Lease that (a) does not have language that such Consent cannot be unreasonably withheld by the lessor or similar language, (b) expressly requires the "express written consent" of the lessor and (c) is not a Required Consent.

3. **CFIUS Filing Election**. The Parties hereby acknowledge and agree that, following the Execution Date, (a) Buyer elected not to make a CFIUS Filing and (b) Seller elected not to request that Buyer make a CFIUS Filing, in each case, in accordance with Section 9.10(b)(i) of the PSA.

4. **Environmental Defects and Title Defects**. Buyer hereby acknowledges and agrees that (a) there are no Environmental Defects and there will be no adjustments to the Cash Purchase Price related to Environmental Defects pursuant to Sections 3.3(b)(iv) or 3.3(b)(v) of the PSA and (b) the Title Defects and Title Defect Amounts asserted in the Title Defect Notice delivered by Buyer to Seller on March 1, 2020, do not exceed the Title Defect Deductible and there will be no adjustment to the Cash Purchase Price related to Title Defects pursuant to Sections 3.3(b)(iii) or 3.3(b)(v) of the PSA excluding those contemplated in Sections 5.4(c), 5.5(a)(i) and 5.5(b)(i) of the PSA; *provided*, *however*, upon request of Buyer, from and after the Amendment Execution Date until the Closing Date, Seller shall use good faith efforts to (i) provide Buyer curative information related to the Title Defects asserted by Buyer in such Title Defect Notice and (ii) assist Buyer (at Buyer's sole cost and expense) in curing (or attempting to cure) any such Title Defects (provided that Seller's good faith efforts shall not include any obligation to expend any monies or undertake any obligations other than those set forth herein).

5. **Employment Effective Date**. Notwithstanding anything to the contrary set forth in the PSA, as amended by this Amendment, the Parties hereby agree that (a) Buyer provided written notice to Seller on March 16, 2020 of Buyer's election to cause the Employment Effective Date with respect to certain Offered Employees to be the day after the Closing Date, (b) Buyer shall be entitled to deliver to Seller an updated election notice prior to the Amendment Execution Date setting forth Buyer's updated elections with respect to Offered Employees and the Employment Effective Date of certain of such Offered Employees and (c) after the Amendment Execution Date, Buyer shall not be entitled to supplement, modify or replace such election pursuant to Section 9.6(b) of the PSA.

6. **Scheduled Closing Date**. The Parties hereby acknowledge and agree that, (a) on April 8, 2020, the Parties agreed to change the Scheduled Closing Date from April 15, 2020, to April 20, 2020 and (b) as of the Amendment Execution Date, notwithstanding anything to the contrary set forth in the PSA, such change to the Scheduled Closing Date shall be superseded by this Amendment and shall be null and void in all respects.

7. **Seller's Authorized Officer Certificate**. Attached hereto as **Annex II** is an executed authorized officer certificate of Seller, dated as of the Amendment Execution Date, certifying that the conditions set forth therein have been fulfilled as of the Amendment Execution Date and, if applicable, any exceptions to such conditions that have been waived by Buyer.

8. **Preferential Purchase Rights**. Following the Amendment Execution Date, notwithstanding anything to the contrary set forth in the PSA, Seller

shall redeliver notices to the Preferential Purchase Rights holders to reflect the terms and provisions of the PSA, as amended by this Amendment, except for and excluding notices to the Preferential Purchase Rights holders related to the Conveyed Interests set forth on Schedule I-3 to the PSA.

9. **Litigation Matters**. Notwithstanding anything to the contrary set forth in the PSA, as amended by this Amendment, Seller hereby agrees to give good faith efforts to promptly provide written notice to Buyer of any matter, fact or circumstance that arises following the Amendment Execution Date until the Closing Date that, if such matter, fact or circumstance was in existence as of the Execution Date, would have been required to be set forth on Schedule 7.6 to the PSA.

10. **Other Matters**. The Parties hereby agree to the terms and conditions set forth on Schedule OM to the PSA.

11. **Confirmation**. Except as otherwise provided herein, the provisions of the PSA shall remain in full force and effect in accordance with their respective terms following the execution of this Amendment.

12. **Conflicts**. This Amendment amends and supplements the terms and conditions of the PSA. If any provision of this Amendment is construed to conflict with any provision of the PSA (except as otherwise expressly provided in this Amendment), the provisions of this Amendment shall be deemed controlling to the extent of that conflict.

13. **Entire Agreement**. This Amendment, the PSA, the Appendices, Exhibits and Schedules to the PSA, the Transaction Documents and the Confidentiality Agreement collectively constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof or thereof except as specifically set forth herein or therein.

14. **Choice of Law**. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RIGHTS, DUTIES AND THE LEGAL RELATIONS BETWEEN THE PARTIES HERETO AND THERETO SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION.

15. **Dispute Resolution**. The dispute resolution procedures set forth in Section 15.14 of the PSA shall apply to disputes arising under this Amendment, *mutatis mutandis*.

16. **Assignment; Preparation of Amendment**. Sections 15.3 and 15.4 of the PSA, as amended by this Amendment, shall apply to this Amendment, *mutatis mutandis*.

17. **Amendment**. This Amendment may be amended, restated, supplemented or otherwise modified only by an instrument in writing executed by both Parties and expressly identified as an amendment, restatement, supplement or modification.

18. **Counterparts**. This Amendment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by electronic transmission (including scanned documents delivered by email) shall be deemed an original signature hereto, and execution and delivery by such means shall be binding upon all Parties.

[Signature Page Follows.]

IN WITNESS WHEREOF, Seller, Buyer and BKVLP have executed and delivered this Amendment as of the Amendment Execution Date.

Seller:

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: /s/ Jeffery L. Ritenour
Name: Jeffery L. Ritenour
Title: Executive Vice President

Buyer:

BKV BARNETT, LLC

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: President, Secretary and Managing Director

Solely with respect to Sections 3.1(b), 3.2, 8.1, 8.2, 8.3, 8.4, 8.8, 9.17, 13.3 and 14.2(f) of the PSA:

BKVLP:

BKV OIL & GAS CAPITAL PARTNERS, L.P.
By: Kalnin Capital Partners, L.P., its general partner
By: CRDK Family Investments, LLC, its general partner

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: Managing Director

Annex I

Joint Written Instructions to Escrow Agent

Annex II

Seller's Authorized Officer Certificate

Exhibit A

Leases

Exhibit B

Wells

Exhibit G-1

Rights-of-Way

Exhibit H-2

Vehicles and Trailers

Exhibit I

Transferred Cores

Exhibit L-1

Form of DEPCO Assignment

Exhibit L-3

Form of DEC Assignment and Bill of Sale

Exhibit L-4

Form of SWGP Assignment and Bill of Sale

Exhibit L-5

Form of DGS Assignment and Bill of Sale

Exhibit M

Form of Mineral Deed

Exhibit N-1

Form of DGS Surface Deed

Exhibit N-2

Form of Surface Deed

Exhibit O-1

Form of License Agreement

Exhibit O-2

Proprietary G&G

Schedule 3.1(b)

Earnout Amount

Attached to and made part of that certain Purchase and Sale Agreement, dated as of December 17, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement dated as of April 13, 2020 (as may be further amended from time to time), by and between Devon Energy Production Company, L.P., as Seller, BKV Barnett, LLC, as Buyer, and BKV Oil & Gas Capital Partners, L.P., solely with respect to Sections 3.1(b), 3.2, 8.1, 8.2, 8.3, 8.4, 8.8, 9.17, 13.3 and 14.2(f) of the Agreement.

	WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
2021	$ 50.00	$ 10,000,000.00	$ 2.75	$ 20,000,000.00
	$ 55.00	$ 12,500,000.00	$ 3.00	$ 25,000,000.00
	$ 60.00	$ 15,000,000.00	$ 3.25	$ 35,000,000.00
	$ 65.00	$ 20,000,000.00	$ 3.50	$ 45,000,000.00

	WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
2022	$ 50.00	$ 10,000,000.00	$ 2.75	$ 20,000,000.00
	$ 55.00	$ 12,500,000.00	$ 3.00	$ 25,000,000.00
	$ 60.00	$ 15,000,000.00	$ 3.25	$ 35,000,000.00
	$ 65.00	$ 20,000,000.00	$ 3.50	$ 45,000,000.00

	WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
2023	$ 50.00	$ 10,000,000.00	$ 2.75	$ 20,000,000.00
	$ 55.00	$ 12,500,000.00	$ 3.00	$ 25,000,000.00
	$ 60.00	$ 15,000,000.00	$ 3.25	$ 35,000,000.00
	$ 65.00	$ 20,000,000.00	$ 3.50	$ 45,000,000.00

	WTI Threshold	WTI Annual Earnout Amount	Henry Hub Threshold	Henry Hub Annual Earnout Amount
2024	$ 50.00	$ 10,000,000.00	$ 2.75	$ 20,000,000.00
	$ 55.00	$ 12,500,000.00	$ 3.00	$ 25,000,000.00
	$ 60.00	$ 15,000,000.00	$ 3.25	$ 35,000,000.00
	$ 65.00	$ 20,000,000.00	$ 3.50	$ 45,000,000.00

Schedule 7.7

Material Contracts

Schedule 7.18

Environmental Matters

Schedule 9.6

Employees

Schedule 9.13

NAESB Base Contracts

Schedule ABEC

Approved Buyer Environmental Consultants

Schedule I-2

Additional Allocated Value Assets

Schedule OM

Other Matters

Exhibit 2.3

EXECUTION VERSION

PURCHASE AND SALE AGREEMENT

BETWEEN

XTO ENERGY INC., BARNETT GATHERING, LLC,

BKV NORTH TEXAS, LLC

AND

BKV MIDSTREAM, LLC

DATED: MAY 18, 2022

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this " **Agreement**") is made as of May 18, 2022 (the " **Execution Date**"), by and between XTO Energy Inc., a Delaware corporation, Barnett Gathering, LLC, a Texas limited liability company, both with an address of 22777 Springwoods Village Parkway, Spring, Texas 77389 (collectively "**Seller**"), BKV North Texas, LLC, a Delaware limited liability company, and BKV Midstream, LLC, a Delaware limited liability company, both with an address of 1200 17th Street, Suite 2100, Denver, CO 80202 (collectively "**Purchaser**"). Seller and Purchaser are sometimes referred to in this Agreement collectively as the "**Parties**" and individually as a "**Party**."

WITNESSETH

WHEREAS, Seller desires to sell to Purchaser the Assets (as defined below) and Purchaser is willing to purchase the Assets from Seller, upon the terms and conditions set forth in this Agreement: and

WHEREAS, Purchaser's parent company, BKV Corporation, has agreed to join the Purchase Agreement for the limited purpose of guaranteeing certain obligations of Purchaser as set forth herein;

NOW THEREFORE, in consideration of the mutual promises of the Parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 **Certain Defined Terms**. Capitalized terms used in this Agreement shall have the meanings given such terms as set forth in Appendix A attached to this Agreement.

ARTICLE II
PURCHASE AND SALE

Section 2.1 **Agreement to Purchase and Sell**. At the Closing, and subject to the terms and conditions of this Agreement, Purchaser agrees to purchase the Assets from Seller, and Seller agrees to sell, transfer and assign the Assets to Purchaser as reflected in Schedule 2.1, effective as of the Effective Time.

Section 2.2 **The Assets**. The term "**Assets**" shall mean all of Seller's right, title and interest in and to the following, less and except for the Excluded Assets:

(a) the oil and gas leases located within the Sale Area including those described on Exhibit A-1, and all rights incident thereto and derived therefrom, including all of Seller's royalty interests, overriding royalty interests, net profits interests, production payments, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character covered by such leases (the "**Leases**");

(b) the wells located within the Sale Area including the wells described in Exhibit B and all other wells (including all disposal or injection wells) located within the Sale Area, whether such wells are producing, shut-in or abandoned (the "**Wells**");

(c) all fee mineral interests located within the Sale Area, including those associated with the Assets described in Exhibit A-4 (the "**Mineral Interests**");

(d) all rights and interests in, under or derived from all unitization or pooling agreements in effect with respect to any of the Leases or Wells and the units created thereby (the "**Units**");

(e) all Rights-of-Way, located within the Sale Area that are used primarily in connection with the ownership or operation of any of the Leases, Wells, Units or other Assets, including the Rights-of-Way set forth in Exhibit A-2;

(f) the offices together with the surface fee tracts described in Exhibit A-3 and all improvements, furniture and fixtures and related tangible personal property used primarily in connection with the offices covered thereby (the "**Assigned Surface**");

(g) all equipment, machinery, fixtures and other personal and mixed property, operational and nonoperational, known or unknown, located on any of the Leases, Wells, Units or other Assets, that are primarily used or held for use in connection with the ownership, operation or development of the Leases, Well, Units or other Assets, including the inventory set forth on Schedule 3.2(e), and pipelines, gathering systems, the Midstream Assets together with all of Seller's percentage interest in such Midstream Assets, well equipment, casing, tubing, pumps, motors, fixtures, machinery, compression equipment, flow lines, processing and separation facilities, structures, materials and other items primarily used in the ownership, operation or development of the Leases, Well, Units or other Assets;

(h) to the extent that they may be assigned, all Permits that are primarily used in connection with the ownership or operation of the other Assets;

(i) to the extent they may be assigned, the Existing Contracts;

(j) the Transferred Vehicles;

(k) all Hydrocarbons attributable to the Leases, Wells and/or Units to the extent such Hydrocarbons were produced from and after the Effective Time (subject to the Purchase Price adjustments set forth in Section 3.2(d) or Section 3.3(h)) and all Imbalances relating to the Assets;

(l) Seller's partnership interest in the Tarrant Salt Water Disposal Joint Venture; and

(m) all claims and causes of action, audit rights, manufacturer's and contractor's warranties and other rights of Seller arising under or with respect to any Existing Contracts that are attributable to periods of time from and after the Effective Time or related to the Assumed Obligations.

Section 2.3 **Excluded Assets**. The following are specifically excluded from the Assets and are reserved by Seller (collectively, " **Excluded Assets**"):

(a) all of Seller's corporate minute books, financial records and other business records that relate to Seller's business generally (including the ownership and operation of the Assets);

(b) all accounts, trade credits, accounts receivable, and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time;

(c) all claims and causes of action, manufacturer's and contractor's warranties and other rights of Seller arising under or with respect to any Existing Contracts that are attributable to periods of time prior to the Effective Time (including claims for adjustments or refunds), except to the extent any of the foregoing relates to any of the Assumed Obligations;

(d) all rights and interests of Seller (i) under any policy or agreement of insurance, (ii) under any bond or (iii) to any insurance or condemnation proceeds or awards;

(e) all Hydrocarbons produced and sold from the Assets with respect to all periods prior to the Effective Time;

(f) any claim, right or interest of Seller in or to any refunds or loss carry forwards, together with any interest due thereon or penalty rebate arising therefrom, with respect to (i) any and all taxes based on net income imposed on Seller or any of its Affiliates, (ii) any Property Taxes allocable to Seller pursuant to Section 13.1, or (iii) any Property Taxes attributable to the Excluded Assets;

(g) all personal computers and associated peripherals and all radio and telephone equipment except and unless located on any of the Wells or facilities to be assigned;

(h) all documents and instruments of Seller that are protected by an attorney-client or other privilege;

(i) all data that cannot be disclosed to Purchaser as a result of confidentiality arrangements under agreements with third parties (provided that Seller has used its commercially reasonable efforts to cause such confidentiality restrictions to be waived);

(j) all audit rights arising under any of the Existing Contracts or otherwise with respect to any period prior to the Effective Time or to any of the Excluded Assets, except with respect to any Imbalances or the Assumed Obligations;

(k) all geophysical and other seismic and related technical data and information relating to the Assets;

(l) documents prepared or received by Seller or its Affiliates with respect to (i) lists of prospective purchasers for such transactions compiled by Seller or its Affiliates or their respective representatives, (ii) offers submitted by other prospective purchasers of the Assets, (iii) analyses by Seller or its Affiliates or any of their respective representatives of any offers submitted by any prospective purchaser, (iv) correspondence between or among Seller or its Affiliates or any of their respective representatives, on the one hand, and any prospective purchaser other than Purchaser, on the other hand, and (v) correspondence among Seller or its Affiliates or any of their respective representatives with respect to any other offers, the prospective purchasers, or the transactions contemplated by this Agreement;

(m) any offices, office leases, and any personal property located in or on such offices or office leases, except the Assigned Surface;

(n) the equipment and other assets specifically identified on Schedule 2.3(n);

(o) all vehicles, other than the Transferred Vehicles; and

(p) any master service agreements, blanket agreements or similar contracts.

Seller reserves access rights to the Assets post-Closing for the limited purpose of removing equipment and other assets identified on Schedule 2.3(n) from the Rosedale Warehouse (as described in Exhibit A-3).

Section 2.4 **Effective Time; Property Expenses and Revenues**. Subject to the terms hereof, ownership and possession of the Assets shall be transferred from Seller to Purchaser at the Closing, but effective as of the Effective Time. Except to the extent accounted for in the adjustments to the Purchase Price made under Section 3.2 or Section 3.3 and without duplication of any such amounts: (a) Seller shall remain entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds) and shall remain responsible for all Property Expenses (in each case) attributable to the Assets for the period of time prior to the Effective Time; and (b) from and after the occurrence of Closing, Purchaser shall be entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds) and shall be responsible for all Property Expenses (in each case) attributable to the Assets for the period of time from and after the Effective Time.

ARTICLE III
PURCHASE PRICE

Section 3.1 **Purchase Price**. The purchase price for the Assets shall be the sum of (a) SEVEN HUNDRED AND FIFTY MILLION DOLLARS ($750,000,000.00) (the "**Purchase Price**"), and (b) the First Contingent Payment and/or Second Contingent Payment, if any (the First Contingent Payment and/or Second Contingent Payment, if any, together with the Purchase Price, the "**Total Purchase Price**"). The Purchase Price shall be allocated among the Assets as set forth in Exhibit D (the "**Allocated Values**").

Section 3.2 **Upward Adjustments to the Purchase Price**. The Purchase Price shall be adjusted upward by the following (without duplication):

(a) the amount of all Property Expenses and other costs paid by Seller that are attributable to the Assets on and after the Effective Time including royalties, rentals and similar charges and expenses and capital costs billed under applicable operating agreements and all prepaid expenses, but excluding costs paid by Seller to cure and/or Remediate, as applicable, any Title Defects, Environmental Defects or Casualty Losses, or to obtain any Required Consents or waiver of any Preferential Rights;

(b) an amount equal to the value of (i) all Hydrocarbons attributable to the Assets in pipelines or in tanks (including inventory) as of the Effective Time, plus (ii) line fill, in each case, such value to be based upon the contract price in effect as of the Effective Time (or if no such contract is in effect, the market value in the area as of the Effective Time), less applicable taxes and gravity adjustments;

(c) the amount of any Property Taxes prorated to Purchaser under Section 13.1, but paid or payable by Seller;

(d) an amount equal to the absolute value of the aggregate underproduced volumes of the Imbalances as set forth on Schedule 3.2(d), if any, multiplied by $2.95 per MCF for gas imbalances;

(e) an amount equal to the value of the inventory set forth in Schedule 3.2(e);

(f) the aggregate amount associated with the AFEs identified on Schedule 3.2(f), which have been paid by Seller;

(g) an amount equal to the value of all Title Benefits in accordance with Section 4.7 below;

(h) an amount equal to the fair market value of the Transferred Vehicles required to be bought out by Seller plus any transfer costs for such Transferred Vehicles (provided that in the event any Transferred Vehicle leases can be transferred to Purchaser, then the adjustment shall only be the amount of transfer costs for such lease transfer, if any); and

(i) any other upward adjustment agreed upon by Seller and Purchaser.

Section 3.3 **Downward Adjustments to the Purchase Price**. The Purchase Price shall be adjusted downward by the following (without duplication):

(a) the amount of all proceeds and revenues received by Seller, if any, from and after the Effective Time that are attributable to the Assets from and after the Effective Time (net of any royalties, cost of goods sold, and any production, severance, sales or other similar taxes not reimbursed to Seller by the purchaser of production);

(b) an amount equal to the Allocated Value of each of the Assets that have been excluded from the transactions contemplated by this Agreement pursuant to Section 4.4(b), Section 4.8(b), Section 4.8(c), Section 4.11(b) or Section 4.13(b);

(c) subject to Section 4.6, if Seller makes the election under Section 4.4(c) with respect to any Title Defect, the Title Defect Amount with respect to such Title Defect;

(d) subject to Section 4.12, if Seller makes the election under Section 4.11(c) with respect to any Environmental Defect, the Remediation Amount with respect to such Environmental Defect;

(e) if Seller makes the election under Section 4.13(b) with respect to any Casualty Loss, the reduction in value of any Asset that is attributable to such Casualty Loss;

(f) an amount equal to the net amount of suspended funds Seller elects to transfer to Purchaser in accordance with Section 12.2;

(g) the amount of all Property Taxes prorated to Seller in accordance with Section 13.1, but paid or payable by Purchaser;

(h) an amount equal to the absolute value of the aggregate overproduced volumes of the Imbalances as set forth on Schedule 3.3(h), multiplied by $2.95 per MCF for gas imbalances; and

(i) any other downward adjustment agreed upon by Seller and Purchaser.

Section 3.4 **Payment of the Purchase Price**. Purchaser shall pay the Purchase Price, as adjusted pursuant to Section 3.2 and 3.3 above (the "**Adjusted Purchase Price**"), as follows:

(a) on the date this Agreement is executed by the Parties, Purchaser shall pay to Seller, by wire transfer of immediately available funds to an account designated by Seller, the Deposit, which Deposit shall not bear interest. If the Closing occurs, the Deposit (without interest) shall be credited towards the Purchase Price. If Closing does not occur the Deposit will be subject to the provisions of Article XV.

(b) Purchaser shall pay to Seller at Closing, the Adjusted Purchase Price as determined in accordance with Section 10.2, and subject to final adjustment pursuant to Section 12.1, less the Deposit. All such payments shall be by bank wire transfer of immediately available funds to an account designated by Seller.

Section 3.5 **Contingent Payment**.

(a) If the 2023 Henry Hub Price equals or exceeds any of the thresholds set forth in the table shown below under the column title "2023 Henry Hub Thresholds" (each, a "**2023 Henry Hub Threshold**" and collectively the "**2023 Henry Hub Thresholds**"), Purchaser shall pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller, on or before January 31, 2024, the amount set forth in the table below under the column titled "2023 Henry Hub Contingent Payment Amount" for the highest 2023 Henry Hub Threshold satisfied by the 2023 Henry Hub Price. For purposes hereof, "**2023 Henry Hub Price**" means the arithmetic historical daily average for the calendar year of 2023 of the Henry Hub Natural Gas Spot Price (US Dollars per Million Btu) as posted on the Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily, for each settled trading day in calendar year 2023. Any amount due described below shall be referred to as the "**First Contingent Payment**".

2023 Henry Hub Thresholds ($/Million Btu)	2023 Henry Hub Contingent Payment Amount ($USD)
$ 4.00	$ 10,000,000.00
$ 4.50	$ 17,500,000.00
$ 5.00	$ 25,000,000.00

(b) If the 2024 Henry Hub Price equals or exceeds any of the thresholds set forth in the table shown below under the column title "2024 Henry Hub Thresholds" (each, a "**2024 Henry Hub Threshold**" and collectively the "**2024 Henry Hub Thresholds**"), Purchaser shall pay Seller, by wire transfer of immediately available funds to a bank account designated by Seller, on or before January 31, 2025, the amount set forth in the table below under the column titled "2024 Henry Hub Contingent Payment Amount" for the 2024 Henry Hub Threshold satisfied by the 2024 Henry Hub Price. For purposes hereof, "**2024 Henry Hub Price**" means the arithmetic historical daily average for the calendar year of 2024 of the Henry Hub Natural Gas Spot Price (US Dollars per Million Btu) as posted on the Henry Hub "Midpoint" settled prices as reported in Platts Gas Daily, for each settled trading day in calendar year 2024. Any amount due described below shall be referred to as the "**Second Contingent Payment**".

2024 Henry Hub Thresholds ($/Million Btu)	2024 Henry Hub Contingent Payment Amount ($USD)
$ 3.75	$ 10,000,000.00
$ 4.25	$ 17,500,000.00
$ 4.75	$ 25,000,000.00

Notwithstanding anything in this Agreement to the contrary, if any index, publication, or publisher used or referenced in calculating the First Contingent Payment amount or the Second Contingent Payment amount ceases to exist at any time, the Parties will promptly negotiate (in good faith) to identify and mutually agree upon a replacement index, publication, or publisher, as applicable.

ARTICLE IV
TITLE AND ENVIRONMENTAL MATTERS AND CASUALTY LOSSES

Section 4.1 **Title Examination**. Subject to the indemnity provisions of Section 7.3 and subject to obtaining any consents or waivers from third parties that are required pursuant to the terms of the Leases, Right-of-Way and/or Existing Contracts (including any restrictions therein related to access during hunting seasons), including any third party operators of the Assets, as soon as is reasonably practicable after the Execution Date, during Seller's normal business hours and without unreasonable disruption of Seller's normal and usual operations, Seller shall make available to Purchaser all title data in Seller's or its Affiliates' possession relating to the Assets, including title opinions, abstracts of title, title status reports, division order files, and curative matters, the Existing Contracts, and records relating to the payment of rentals, royalties, shut-in gas royalties, and other payments due under any Lease or Existing Contract provided, however, that those items referenced above in this Section 4.1 that are subject to a valid legal privilege or to unwaived third party disclosure restrictions shall be excluded. Purchaser shall be permitted, at its expense, to make copies of any of such title data. Purchaser shall be entitled to perform or cause to be performed, at Purchaser's expense, such additional title examination as Purchaser deems necessary or appropriate.

Section 4.2 **Seller's Title**.

(a) General Disclaimer of Title Warranties and Representations . Without limiting Purchaser's remedies for Title Defects set forth in this Article IV, Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to title to any of the Assets and, Purchaser acknowledges and agrees that Purchaser's sole remedy for any defect of title, including any Title Defect, with respect to any of the Assets (i) before Closing, shall be as set forth in Section 4.4 and (ii) after Closing, shall be pursuant to the special warranty of title to the Wells contained in Section 4.2(b), subject to the provisions of Section 4.2(c), and Purchaser waives all other remedies.

(b) Special Warranty of Title . Upon Closing, subject to Section 4.2(c), Seller hereby warrants and agrees to defend Defensible Title to the Wells by, through or under Seller but not otherwise, subject, however, to the Permitted Encumbrances. Such special warranty of title to the Wells shall be subject to the further limitations and provisions of Section 4.2(c).

(c) Recovery on Special Warranty .

(i) Purchaser's Assertion of Title Warranty Breaches. Purchaser shall furnish Seller a Title Defect Notice meeting the requirements of Section 4.3 setting forth any matters which Purchaser intends to assert as a breach of the special warranty of title to the Wells contained in Section 4.2(b). Seller shall have a reasonable opportunity, but not the obligation, to cure any Title Defect asserted by Purchaser pursuant to this Section 4.2(c). Purchaser agrees to reasonably cooperate with any attempt by Seller to cure any such breach of the special warranty of title.

(ii) Limitations on Special Warranty. For purposes of the special warranty of title to the Wells contained in Section 4.2(b), the value of the Assets set forth in Exhibit D shall be deemed to be the Allocated Value thereof, as adjusted pursuant to this Agreement. Recovery on the special warranty of title to the Wells contained in Section 4.2(b) shall be limited to an amount (without any interest accruing thereon) equal to the reduction in the Purchase Price to which Purchaser would have been entitled had Purchaser asserted the Title Defect giving rise to such breach of the special warranty of title, as a Title Defect prior to Closing pursuant to Section 4.3, in each case taking into account the Individual Title Defect Threshold and the Aggregate Title Defect Deductible.

(iii) Purchaser shall not be entitled to protection under Seller's special warranty of title to the Wells in Section 4.2(b), with respect to (A) any matter of which Purchaser or any of its Affiliates had constructive knowledge of prior to the Defect Notice Date through public records or the title documents that Seller made available to Purchaser under Section 4.1, or (B) any matter reported to Seller after the one-year anniversary of the Closing Date.

Section 4.3 **Notice of Title Defects**. Purchaser shall notify Seller in writing of any Title Defect (each a "**Title Defect Notice**") on or before June 13, 2022 (the "**Defect Notice Date**"). Seller shall use reasonable good faith efforts to provide all due diligence requested by Purchaser in a timely manner. For all purposes of this Agreement and notwithstanding anything herein to the contrary (except for the special warranty of title to the Wells contained in Section 4.2(b)), Purchaser shall be deemed to have waived, and Seller shall have no liability for, any Title Defect that Purchaser fails to assert as a Title Defect by a Title Defect Notice received by Seller on or before the Defect Notice Date. To be effective, each Title Defect Notice shall include (a) a detailed description of the alleged Title Defect, (b) the Well affected by such Title Defect (each a "**Title Defect Property**"), (c) the Allocated Value of such Title Defect Property, (d) supporting documents reasonably necessary for Seller to verify the existence of the alleged Title Defect, and (e) the amount by which Purchaser reasonably believes the Allocated Value of such Title Defect Property is reduced by the alleged Title Defect. Seller shall have the right, but not the obligation, to elect to attempt to cure any Title Defect set forth in a Title Defect Notice, which can be cured, as reasonably determined by Seller, by written notice to Purchaser prior to Closing and, if Seller elects, then Seller shall have sixty (60) days following Closing in which to cure, at Seller's cost, the Title Defect. No adjustment to the Purchase Price will be made at Closing for any Title Defect that Seller elects to attempt to cure pursuant to this Section 4.3 and the affected Well shall be assigned to Purchaser. If any such uncured Title Defect remains uncured, as reasonably determined by Purchaser, at the end of such sixty (60) day period, then (except as provided in Section 4.4(a)) an adjustment to the Purchase Price in an amount equal to the applicable Title Defect Amount will be made as part of the Final Settlement Statement. To give Seller an opportunity to commence reviewing and curing Title Defects, Purchaser shall use its reasonable efforts to give Seller weekly written notice of all Title Defects discovered by Purchaser (together with any Title Benefits discovered by Purchaser).

Section 4.4 **Remedies for Title Defects**. Subject to Seller's continuing right to dispute the existence of a Title Defect and/or the Title Defect Amount asserted with respect thereto and subject to the Individual Title Defect Threshold and the Aggregate Title Defect Deductible, with respect to any Title Defect that (i) Seller does not elect to attempt to cure or (ii) Seller elects to attempt to cure and Seller fails to cure such Title Defect within sixty (60) days after Closing:

(a) if such Title Defect is not of a nature that would prevent Purchaser from receiving the Net Revenue Interest share of proceeds of production for a particular Well as such interest is set forth on Exhibit B and/or does not relate to liens directly or indirectly associated with the Assets, Seller shall have the right, but not the obligation, to elect to indemnify Purchaser against all Losses resulting from such Title Defect pursuant to an indemnity agreement in a form mutually agreeable to the Parties, in which event the Purchase Price shall not be reduced and the affected Title Defect Property shall be transferred to (or if after Closing, retained by) Purchaser notwithstanding and subject to such Title Defect;

(b) at or prior to Closing, Seller shall have the right, but not the obligation, to elect to exclude the affected Title Defect Property from the transactions contemplated hereby, in which event such Title Defect Property and all Assets directly relating thereto (but only to the extent relating thereto) shall be excluded from the transactions contemplated hereby and the Purchase Price shall be reduced by the Allocated Value of such Title Defect Property and related Assets; or

(c) if both Section 4.4(a) and Section 4.4(b) above are not applicable, the affected Title Defect Property shall be transferred to (or if after Closing, retained by) Purchaser notwithstanding and subject to the Title Defect and the Purchase Price shall be reduced by the Title Defect Amount of such Title Defect Property as determined in accordance with Section 4.5 below.

Except for Purchaser's (i) rights under the special warranty of title to the Wells contained in Section 4.2(b) and (ii) rights to terminate this Agreement pursuant to Section 15.1(d), the provisions set forth in this Section 4.4 shall be the sole and exclusive right and remedy of Purchaser with respect to any Title Defect or any other title matter with respect to any Asset and Purchaser hereby waives all other rights and remedies.

Section 4.5 **Title Defect Amounts**. The amount by which the Allocated Value of an affected Title Defect Property is reduced as a result of the existence of a Title Defect shall be the "**Title Defect Amount**" and shall be determined in accordance with the following:

(a) if the Title Defect results in complete failure of title to a Title Defect Property with the effect that Seller has no ownership interest in that Title Defect Property to which an individual Allocated Value is assigned, then the Purchase Price shall be decreased by the Allocated Value for that Title Defect Property;

(b) if the Title Defect is a decrease in Net Revenue Interest from the Net Revenue Interest set forth in Exhibit B for a Title Defect Property, then the Title Defect Amount shall be equal to the product of the Allocated Value of that Title Defect Property multiplied by a fraction, the numerator of which is the amount of Net Revenue Interest set forth in Exhibit B for that Title Defect Property less the actual amount of the Net Revenue Interest for such Title Defect Property and the denominator of which is the Net Revenue Interest set forth in Exhibit B for that Title Defect Property;

(c) if the Title Defect is a lien, encumbrance or other charge on the Assets that is undisputed and liquidated in amount, then the Title Defect Amount shall be the amount necessary to be paid to remove the Title Defect (but never more than the Allocated Value of the affected Title Defect Property);

(d) if Purchaser and Seller agree on the Title Defect Amount, then that amount shall be the Title Defect Amount;

(e) if the Title Defect represents an obligation, Encumbrance upon or other defect in title to the Title Defect Property of a type not described above, then the Title Defect Amount shall be determined by taking into account the Allocated Value of the Title Defect Property, the portion of the Title Defect Property affected by the Title Defect, the legal effect of the Title Defect, the potential economic effect of the Title Defect over the life of the Title Defect Property, the values placed upon the Title Defect by Purchaser and Seller and such other reasonable factors as are necessary to make a proper evaluation; provided, however, that if such Title Defect is reasonably capable of being cured, as reasonably determined by Seller, then the Title Defect Amount shall not be greater than the reasonable cost and expense of curing such Title Defect;

(f) the Title Defect Amount with respect to a Title Defect Property shall be determined without duplication of any costs or losses included in another Title Defect Amount hereunder;

(g) if a Title Defect does not affect a Title Defect Property throughout the entire remaining productive life of such Title Defect Property, such fact shall be taken into account in determining the Title Defect Amount; and

(h) notwithstanding anything to the contrary herein, the aggregate Title Defect Amounts attributable to the effects of all Title Defects upon any single Title Defect Property shall not exceed the Allocated Value of such Title Defect Property.

Section 4.6 **Title Limitations**. Notwithstanding anything to the contrary, (a) in no event shall there be any adjustments to the Purchase Price or other remedies provided by Seller for any individual Title Defect for which the Title Defect Amount does not exceed one hundred thousand dollars ($100,000.00) (the "**Individual Title Defect Threshold**"); and (b) in no event shall there be any adjustments to the Purchase Price or other remedies provided by Seller for any Title Defect that exceeds the Individual Title Defect Threshold unless the sum of the Title Defect Amounts of all such Title Defects that exceed the Individual Title Defect Threshold (excluding any Title Defects cured by Seller) exceeds fifteen million dollars ($15,000,000.00) (the "**Aggregate Title Defect Deductible**"), after which point Purchaser shall be entitled to adjustments to the Purchase Price or other remedies only with respect to such Title Defects in excess of such Aggregate Title Defect Deductible (after reducing the value of each such Title Defect by the Individual Title Defect Threshold). For the avoidance of doubt, if Seller elects to exclude a Title Defect Property affected by a Title Defect from the transactions contemplated hereby pursuant to the remedy set forth in Section 4.4(b) or indemnify Purchaser with respect to any Title Defect pursuant to the remedy set forth in Section 4.4(a), then, after such election, the Title Defect Amount and related Purchase Price adjustment relating to such excluded Assets or such Assets which Seller has provided an indemnity to Purchaser will not be counted towards the Aggregate Title Defect Deductible or for purposes of Section 8.4 and Section 9.4.

Section 4.7 **Title Benefits**. If Seller determines that the ownership of any Well entitles Seller to a larger net revenue interest or a smaller working interest (without a corresponding decrease in the net revenue interest) than that set forth on Exhibit B (a "**Title Benefit**"), then Seller shall notify Purchaser of such increase in writing on or before the Defect Notice Date, describing in such notice with reasonable detail each alleged increase so discovered and a reasonable estimate of the value attributable to the applicable Title Benefit. Purchaser shall also promptly furnish Seller with written notice of any Title Benefit that is discovered prior to the Defect Notice Date by any of Purchaser's or any of its Affiliate's employees, title attorneys, landmen or other title examiners while conducting Purchaser's due diligence with respect to the Assets. The amount of any such Title Benefit (each, a "**Title Benefit Amount**") shall be determined in the same manner as provided in Section 4.5 with respect to Title Defects.

Section 4.8 **Preferential Purchase Rights and Consents to Assign**.

(a) Seller, within fifteen (15) days following the date of Execution Date, shall send to each holder of (i) a preferential purchase right pertaining to any of the Assets (a "**Preferential Right**") and (ii) a right to consent to assignment pertaining to the Assets and the transactions contemplated hereby, a notice seeking a waiver of such Preferential Right or such holder's consent to the transactions contemplated hereby, as applicable, in accordance with the contractual provisions applicable to such right. In no event shall Seller be required to incur any liability or pay any money in order to obtain any such waiver or consent. Purchaser shall cooperate with Seller in seeking to obtain such waivers of Preferential Rights and consents to assignment and will provide reasonable collateral or security to meet reasonable financial requirements as set forth in an Existing Contract demanded by counterparties in order to obtain consents from such counterparties; provided, as between Seller and Purchaser, (i) in the event Closing should fail to occur, all such collateral and/or security shall be automatically released and be of no further force and effect, and (ii) in the event Purchaser provides such collateral or security and such counterparty fails to consent, Purchaser shall have no liability for such failure to obtain consent.

(b) If, prior to Closing, any holder of a Preferential Right notifies Seller that it intends to consummate the purchase of the Assets to which its Preferential Right applies or the time for exercising a Preferential Right has not expired and such Preferential Right has not been exercised or waived, then those Assets subject to such Preferential Right shall be excluded from the Assets to be conveyed to Purchaser under this Agreement (together with all Assets directly relating thereto but only to the extent relating thereto), and the Purchase Price shall be reduced by the Allocated Values of all such excluded

Assets and, in such event, Seller shall be entitled to all proceeds paid by any Person exercising such Preferential Right. If such holder of such Preferential Right thereafter fails to consummate the purchase of the Assets subject to such Preferential Right in accordance with the terms thereof, the time for exercising such Preferential Right has expired and such Preferential Right has not been exercised, or the Preferential Right has been waived, (i) Seller shall so notify Purchaser, (ii) Purchaser shall purchase, on or before ten (10) Business Days following receipt of such notice, such Assets that were so excluded from the Assets to be assigned to Purchaser at Closing, for a price equal to the amount by which the Purchase Price was reduced at Closing with respect to such excluded Assets and on the same other terms of this Agreement, including the adjustments in accordance with Section 3.2 and Section 3.3, and (iii) Seller shall assign to Purchaser such Assets so excluded at Closing pursuant to an instrument in substantially the same form as the Assignment.

(c) If Seller fails to obtain a Required Consent prior to Closing, then, in each case, the Asset affected by such un-obtained Required Consent (together with all Assets directly relating thereto but only to the extent relating thereto) shall be excluded from the Assets to be assigned to Purchaser at Closing, and the Purchase Price shall be reduced by the Allocated Value of such Assets so excluded. In the event that any such Required Consent (with respect to Assets excluded pursuant to this Section 4.8(c)) that was not obtained prior to the Closing Date is obtained within ninety (90) days following the Closing Date, then, within ten (10) Business Days after such Required Consent is obtained, (i) Seller shall so notify Purchaser, (ii) Purchaser shall purchase, on or before ten (10) Business Days following receipt of such notice, such Assets that were so excluded from the Assets to be assigned to Purchaser at Closing, for a price equal to the amount by which the Purchase Price was reduced at Closing with respect to such excluded Assets and on the same other terms of this Agreement, including the adjustments in accordance with Section 3.2 and Section 3.3, and (iii) Seller shall assign to Purchaser the Assets so excluded at Closing pursuant to an instrument in substantially the same form as the Assignment. If, prior to Closing, Seller fails to obtain a consent to assign and such consent to assign is not a Required Consent, then the Assets subject to such un-obtained consent shall be assigned by Seller to Purchaser at Closing as part of the Assets and Purchaser shall have no claim against Seller, Purchaser hereby releases and indemnifies the Seller Group from any Losses relating to the failure to obtain such consent, and Purchaser shall be solely responsible for any and all Losses arising from the failure to obtain such consent.

Section 4.9 **Environmental Assessment**.

(a) Prior to the Defect Notice Date, and upon reasonable prior notice to Seller (and notice and consent of the operator(s) of any of the Assets not operated by Seller or its Affiliates), and subject to the other provisions of this Section 4.9 and the indemnity provisions of Section 7.3 below, Purchaser shall have the right to enter upon the Assets, inspect the same and conduct such tests, examinations, investigations, and studies as may be necessary or appropriate to determine the environmental condition of the Assets ("**Purchaser's Environmental Assessment**"). Any such entry onto the Assets is subject to all third-party restrictions, if any, and to Seller's safety, health and environmental policies and procedures, including drug, alcohol and firearms restrictions, and shall be at Purchaser's sole risk and expense. Purchaser shall coordinate its access rights, environmental property assessments and physical inspections of the Assets with Seller and all third party operators, as applicable, to minimize any inconvenience to or interruption of the conduct of business by Seller or any such third party operator.

(b) Notwithstanding anything herein to the contrary, for anything other than a Phase I environmental property assessment, Purchaser must obtain Seller's prior written consent (which consent may be withheld, in Seller's sole discretion) and any third party operator's consent as to the scope of any proposed environmental assessment, including testing protocols or a Phase II environmental property assessment.

(c) In conducting any assessment or inspection of the Assets, Purchaser shall not operate any equipment or (except with the prior written consent of Seller, which consent may be withheld in Seller's sole discretion, and any third party operator's consent) conduct any testing or sampling of soil, groundwater or other materials (including any testing or sampling for hazardous substances or NORM).

(d) Seller or Seller's designee shall have the right to be present during any stage of any inspection or assessment by Purchaser on the Assets.

(e) During all periods prior to Closing that Purchaser or any of its representatives (including Purchaser's environmental consulting or engineering firm) are on the Assets, Purchaser shall maintain, at its sole cost and expense, and with insurers reasonably satisfactory to Seller, policies of insurance of the types and in the amounts reasonably requested by Seller. Coverage under all insurance required to be carried by Purchaser hereunder will be primary insurance. Upon request by Seller, Purchaser shall provide evidence of such insurance to Seller prior to entering the Assets.

(f) Within five (5) days of Purchaser's receipt (if performed by a third party) or completion thereof (if performed by Purchaser), Purchaser shall deliver to Seller copies of all final reports, results, data and analyses of Purchaser's Environmental Assessment. Seller shall have no confidentiality obligation with regard to such information so provided and Seller shall not be deemed (by Seller's receipt of said documents or otherwise) to have made any representation or warranty, express, implied or statutory, as to the condition of the Assets or to the accuracy of said documents or the information contained therein.

(g) Upon completion of Purchaser's due diligence, Purchaser shall at its sole cost and expense and without any cost or expense to Seller or its Affiliates, (i) repair all damage done to the Assets (including the real property and other assets associated therewith) in connection with Purchaser's due diligence investigation, (ii) restore the Assets (including the real property and other assets associated therewith) to at least the approximate same condition in which they were prior to commencement of Purchaser's due diligence investigation, and (iii) remove all equipment, tools or other property brought onto the Assets in connection with such due diligence investigation. Any disturbance to the Assets (including the real property and other assets associated therewith) resulting from the due diligence investigation conducted by or on behalf of Purchaser will be promptly corrected by Purchaser.

Section 4.10 **Environmental Defect Notice**. If Purchaser determines, as a result of Purchaser's Environmental Assessment or otherwise that there exists an Environmental Defect, Purchaser shall notify Seller thereof in writing as soon as practicable after Purchaser has knowledge thereof, but in any event on or before the Defect Notice Date (each an "**Environmental Defect Notice**"). For all purposes of this Agreement and notwithstanding anything herein to the

contrary, Purchaser shall be deemed to have waived, and Seller shall have no liability for, any Environmental Defect that Purchaser fails to assert as an Environmental Defect by an Environmental Defect Notice received by Seller on or before the Defect Notice Date. To be effective, each Environmental Defect Notice shall include: (a) a detailed description of the alleged Environmental Defect, (b) the Well or other Asset affected by such Environmental Defect (each an "**Environmental Defect Property**"), (c) the Allocated Value of such Environmental Defect Property, (d) supporting documents reasonably necessary for Seller to verify the existence of the asserted Environmental Defect, (e) the specific Environmental Law that is applicable to the Environmental Defect and the violation of such Environmental Law and (f) Purchaser's good faith estimate of the Remediation Amount. Purchaser's calculation of the Remediation Amount included in the Environmental Defect Notice for any alleged Environmental Defect must describe in reasonable detail the Remediation proposed for such Environmental Defect and identify all assumptions used by Purchaser in calculating the Remediation Amount with respect thereto, including the standards that Purchaser asserts must be met to comply with Environmental Laws. Seller shall have the right but not the obligation to attempt to Remediate any Environmental Defect Property and, if Seller so elects, then Seller shall have sixty (60) days following Closing in which to Remediate, at Seller's cost, the Environmental Defect. No adjustment to the Purchase Price will be made at Closing for any Environmental Defect that Seller elects to attempt to cure pursuant to this Section 4.10 and the affected Environmental Defect Property shall be assigned to Purchaser. If such Environmental Defect Property has not been Remediated at the end of such sixty (60) day period, then (except as provided in Section 4.11(a)) an adjustment to the Purchase Price in an amount equal to the applicable Remediation Amount will be made as part of the Final Settlement Statement.

Section 4.11 **Remedies for Environmental Defects**. Subject to Seller's continuing right to dispute the existence of an Environmental Defect and/or the Remediation Amount asserted with respect thereto and subject to the Individual Environmental Defect Threshold and the Aggregate Environmental Defect Deductible, with respect to any Environmental Defect asserted by Purchaser that (i) Seller does not elect to attempt to Remediate or (ii) Seller elects to attempt to Remediate and fails to Remediate within sixty (60) days after Closing:

(a) Seller shall have the right, but not the obligation, to elect to indemnify Purchaser against all Losses resulting from such Environmental Defect pursuant to an indemnity agreement in a form mutually agreeable to the Parties, in which event the Purchase Price shall not be reduced and the affected Environmental Defect Property shall be transferred to (or if after Closing, retained by) Purchaser notwithstanding and subject to such Environmental Defect;

(b) at or prior to the Closing, Seller shall have the right, but not the obligation, to elect to exclude the Asset subject to the Environmental Defect from the transactions contemplated hereby, in which event such Asset and all Assets directly relating thereto (but only to the extent relating thereto) shall be excluded from the transactions contemplated hereby and the Purchase Price shall be reduced by the Allocated Value of such Asset and related Assets; or

(c) if both Section 4.11(a) and Section 4.11(b) above are not applicable, the affected Environmental Defect Property shall be transferred to (or if after Closing, retained by) Purchaser notwithstanding and subject to the Environmental Defect, and the Purchase Price shall be reduced by an amount equal to the Remediation Amount for the affected Environmental Defect Property.

Except for Purchaser's rights to terminate this Agreement pursuant to Section 15.1(d), the provisions set forth in this Section 4.11 shall be the exclusive right and remedy of Purchaser with respect to any Environmental Defect or the environmental condition of any Asset and Purchaser hereby waives all other rights and remedies.

Section 4.12 **Environmental Limitations**. Notwithstanding anything to the contrary, (a) in no event shall there be any adjustments to the Purchase Price or other remedies provided by Seller for any individual Environmental Defect for which the Remediation Amount does not exceed one hundred thousand dollars ($100,000.00) (the "**Individual Environmental Defect Threshold**"); and (b) in no event shall there be any adjustments to the Purchase Price or other remedies provided by Seller for any Environmental Defect that exceeds the Individual Environmental Defect Threshold unless the sum of all Remediation Amounts of all Environmental Defects that exceed the Individual Environmental Defect Threshold (excluding any Environmental Defects Remediated by Seller) exceeds fifteen million dollars ($15,000,000.00) (the "**Aggregate Environmental Defect Deductible**"), after which point Purchaser shall be entitled to adjustments to the Purchase Price or other remedies only with respect to such Environmental Defects in excess of such Aggregate Environmental Defect Deductible (after reducing the value of each such Environmental Defect by the Individual Environmental Defect Threshold). For the avoidance of doubt, if Seller elects to exclude an Asset affected by an Environmental Defect from the transactions contemplated hereby pursuant to the remedy set forth in Section 4.11(b) or indemnify Purchaser with respect to any Environmental Defect pursuant to the remedy set forth in Section 4.11(a), then, after such election, the Remediation Amount for such Environmental Defect and related Purchase Price adjustment relating to such excluded Assets or such Assets for which Seller has provided an indemnity to Purchaser will not be counted towards the Aggregate Environmental Defect Deductible or for purposes of Section 8.4 and Section 9.4.

Section 4.13 **Casualty Loss**.

(a) Notwithstanding anything herein to the contrary from and after the Effective Time, subject to the remaining provisions of this Section 4.13, if Closing occurs, Purchaser shall assume all risk of loss with respect to production of Hydrocarbons through normal depletion (including watering out of any Well, collapsed casing or sand infiltration of any Well) and the depreciation of all Wells and/or personal property due to ordinary wear and tear, in each case, with respect to the Assets.

(b) If, after the Execution Date but prior to the Closing Date, any portion of the Assets is destroyed or taken in connection with a Casualty Loss and the loss in value of such Assets as a result of such Casualty Loss (net to Seller's interest in the Assets), in the aggregate, exceeds fifteen million dollars ($15,000,000.00) then, subject to Section 15.1(d), Purchaser shall nevertheless be required to close and Seller shall elect by written notice to Purchaser prior to Closing: (i) with Purchaser's consent, to cause the Assets adversely affected by any such Casualty Loss to be repaired or restored to at least their condition prior to such Casualty Loss, at Seller's sole cost and expense, as promptly as reasonably practicable (which repair or restoration may extend after Closing), (ii) to exclude the Assets adversely affected by such Casualty Loss and any Asset related thereto (to the extent so related) and reduce the Purchase Price by the Allocated Value of such excluded Assets or (iii) to assign the Assets adversely affected by such Casualty Loss and reduce the Purchase Price by

the loss in value of such Assets as a result of such Casualty Loss. In each case, Seller shall retain all right, title and interest (if any) in insurance claims, unpaid awards and other rights (in each case) against third parties arising out of such Casualty Loss with respect to the Assets, except to the extent the Parties otherwise agree in writing.

(c) If, after the Execution Date but prior to the Closing Date, any Casualty Loss occurs, and the loss in value of the Assets as a result of such Casualty Loss (net to Seller's interest in the Assets), in the aggregate, is equal to or less than fifteen million dollars ($15,000,000.00) then, subject to Section 15.1(d), Purchaser shall nevertheless be required to close and Seller, at Closing, shall pay to Purchaser all sums received by Seller from third parties by reason of such Casualty Losses insofar as with respect to the Assets and Seller shall assign, transfer and set over to Purchaser or subrogate Purchaser to all of Seller's right, title and interest (if any) in unpaid awards and other rights (in each case) against third parties (excluding, for the avoidance of doubt, any Losses against any member of the Seller Group) arising out of such Casualty Losses insofar as with respect to the Assets (provided, however, that Seller shall reserve and retain all rights, title, interests and claims against such third parties for the recovery of Seller's costs and expenses incurred prior to Closing in pursuing or asserting any such insurance claims or other rights against such third parties with respect to any such Casualty Loss).

(d) Notwithstanding the foregoing, if the Casualty Loss consists of any taking under condemnation or eminent domain, the Purchase Price shall be reduced by the Allocated Value of such Assets so taken.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as follows:

Section 5.1 **Organization, Existence and Qualification**. Seller is an entity duly formed and validly existing under the Laws of the State of its organization and is in good standing under the laws of the State of its organization. Seller has all requisite power and authority to own and operate the Assets and to carry on its business with respect thereto as currently conducted. Seller is duly licensed or qualified to do business as a corporation or limited liability company, as applicable, in all jurisdictions in which the Assets are located, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

Section 5.2 **Authority, Approval and Enforceability**. Seller has the power and authority to enter into and perform this Agreement and all Transaction Documents to be delivered at Closing by Seller and the transactions contemplated hereby and thereby. The execution, delivery and performance by Seller of this Agreement have been, and the Transaction Documents to which Seller is a party will be at Closing, duly and validly authorized and approved by all necessary corporate and limited liability company action on the part of Seller. This Agreement is, and the Transaction Documents to which Seller is a party when executed and delivered by Seller will be, the valid and binding obligation of Seller and enforceable against Seller in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 5.3 **No Conflicts**. Assuming the receipt of all applicable consents and approvals in connection with the transactions contemplated hereby and the waiver of, or compliance with, all Preferential Rights applicable to the transactions contemplated hereby, the execution, delivery and performance of this Agreement, and the Transaction Documents to be delivered by Seller at Closing, by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby, will not (a) violate any provision of the organizational documents of Seller, (b) violate, or result in the creation of any Encumbrance under, any material agreement or instrument to which Seller is a party or by which Seller or any of the Assets are bound, (c) violate any judgment, order, ruling, or decree applicable to Seller as a party in interest, or (d) violate any Law applicable to Seller relating to the Assets, except in the case of subsection (b), (c) or (d) where such violation would not reasonably be expected to have a Material Adverse Effect.

Section 5.4 **Asset Taxes**. To Seller's Knowledge, except as set forth on Schedule 5.4, (a) all tax returns relating to or prepared in connection with Asset Taxes that are required to be filed by Seller have been timely filed and all such tax returns are correct and complete in all material respects, (b) all Asset Taxes that are or have become due have been timely paid in full, and Seller is not delinquent in the payment of any such taxes, or, in either case, such taxes are currently being contested in good faith by Seller, (c) none of Seller's interest in the Assets is subject to any tax partnership, or is otherwise treated, or required to be treated, as held in an arrangement requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the of the Code, as amended, or any similar state statute, and (d) there are no encumbrances for taxes on such Seller's interest in the Assets, other than Permitted Encumbrances.

Section 5.5 **Bankruptcy**. There are no bankruptcy or receivership proceedings pending, being contemplated by or, to Seller's Knowledge, threatened in writing against Seller.

Section 5.6 **Foreign Person**. Seller or, if applicable, its regarded parent, is not a "foreign person" within the meaning of Section 1445 of the Code.

Section 5.7 **Brokers**. Neither Seller nor any of its Affiliates has incurred any obligation or liability for brokers' or finders' fees relating to the transactions contemplated hereby for which Purchaser or any of its Affiliates will be liable or have any responsibility.

Section 5.8 **Preferential Rights**. To Seller's Knowledge, except as set forth in Schedule 5.8, there are no Preferential Rights that are applicable to the transfer of the Assets by Seller to Purchaser.

Section 5.9 **Litigation**. Except as set forth in Schedule 5.9, as of the date of the execution of this Agreement, there is no suit, action or litigation by or before any governmental authority, and no arbitration proceedings, (in each case) pending and served on Seller, or, to Seller's Knowledge, threatened in writing, against Seller (in each case) with respect to the Assets.

Section 5.10 **Current Commitments**. To Seller's Knowledge, Schedule 5.10 sets forth, as of the date of the execution of this Agreement, all

authorities for expenditures ("**AFEs**") that (a) relate to drilling or reworking a Well, and (b) are in excess of one hundred thousand dollars ($100,000.00), net to Seller's interest in the Assets.

Section 5.11 **Payment of Royalties**. To Seller's Knowledge, Seller has in all material respects properly and timely paid, or caused to be paid, all royalties, overriding royalties, net profits interests, production payments and other similar burdens measured by or payable out of production of Hydrocarbons due with respect the Assets.

Section 5.12 **Imbalances**. To Seller's Knowledge, Schedules 3.2(d) and 3.3(h) set forth all Imbalances associated with the Wells and other Assets as of the date provided in Schedules 3.2(d) and 3.3(h).

Section 5.13 **Material Contracts**.

(a) To Seller's Knowledge, Schedule 5.13(a) sets forth, as of the Execution Date, a true, complete and accurate list of all Existing Contracts of the type described below (the Existing Contracts on such schedule, collectively, the "**Material Contracts**"):

(i) any Existing Contract that can reasonably be expected to result in aggregate payments by Seller, or any of Seller's Affiliates holding Assets, of more than one hundred and fifty thousand dollars ($150,000.00) during the remainder of the current or any subsequent fiscal year (based solely on the terms thereof and current volumes, without regard to any expected increase in volumes or revenues);

(ii) any Existing Contract that can reasonably be expected to result in aggregate revenues to Seller, or any of Seller's Affiliates holding Assets, of more than one hundred and fifty thousand dollars ($150,000.00) during the remainder of the current or any subsequent fiscal year (based solely on the terms thereof and current volumes, without regard to any expected increase in volumes or revenues);

(iii) any Existing Contract that is a Hydrocarbon purchase and sale, transportation, gathering, treating, processing or similar Existing Contract that is not terminable without penalty on ninety (90) days' or less notice;

(iv) any Existing Contract that is an indenture, mortgage, loan, credit lien, sale-leaseback or similar Existing Contract affecting any of the Assets which will not be released on or prior to the Closing;

(v) any Existing Contract that constitutes a lease under which Seller, or any of such Seller's Affiliates holding Assets, is the lessor or the lessee of real or personal property which lease cannot be terminated by Seller without penalty upon ninety (90) days' or less notice and involves an annual base rental of more than one hundred and fifty thousand dollars ($150,000.00);

(vi) any Existing Contract with any Affiliate of Seller which will be binding on Purchaser after the Closing Date and will not be terminable by Purchaser within ninety (90) days' or less notice;

(vii) any Existing Contract that constitutes or contains a farmout or farmin agreement, exploration agreement, participation agreement, development agreement, unit operating agreement, joint venture agreement, acreage trade, exchange or contribution agreement or any other similar applicable contract, in each case, where the primary obligations thereof have not been fully performed;

(viii) any Existing Contract that is a saltwater disposal, gathering, processing, transportation or other similar Existing Contract;

(ix) any Existing Contract containing "tag-along" or "drag-along" rights or other similar rights of, or applicable to, any Person; and

(x) any Existing Contract to sell, lease, exchange, transfer or otherwise dispose of all or any portion of any of the Assets (other than with respect to the production of Hydrocarbons in the ordinary course) from and after the Effective Time, but excluding rights of reassignment upon the intent to abandon any Asset.

(b) To Seller's Knowledge, except as set forth in Schedule 5.13(b), (i) there exists no material default under any Material Contract by Seller, any of Seller's Affiliates, or by any other Person that is a party to such Material Contract, and (ii) no event has occurred that with notice or lapse of time or both would constitute any material default under any such Material Contract by Seller, any of Seller's Affiliates, or, to Seller's Knowledge, any other Person who is a party to such Material Contract, and (iii) Seller has not given or received any unresolved written notice of any actual, potential or threatened material termination, cancellation or default with respect to any Material Contract.

Section 5.14 **Advance Payments**. Except for (a) the rights of any lessor to take gas under the terms of the relevant Lease for its use on the lands covered by such Lease, (b) any throughput deficiencies and gas balancing arrangements attributable to or arising out of any Existing Contract, (c) any royalties, overriding royalties, net profits interests, carried interests, reversionary interests and other burdens, (d) any Imbalances, and/or (e) as set forth on Schedule 5.14, to Seller's Knowledge, Seller is not obligated by virtue of any take-or-pay payment, advance payment or other similar payment, to deliver Hydrocarbons attributable to the Assets, or proceeds from the sale thereof, at some future time without receiving payment thereof at or after the time of delivery.

Section 5.15 **Payout Balances**. To Seller's Knowledge, Schedule 5.15 contains a complete list of the status of any "payout" balance, as of the date provided on such Schedule, with respect to Wells operated by Seller (or its Affiliates) subject to a reversion or other adjustment at some level of cost recovery or payout (or passage of time or other event other than termination of a Lease by its terms).

Section 5.16 **Liens and Encumbrances; Status of the Leases and Units**.

(a) Seller and its Affiliates holding and/or owning any of the assets shall convey the Assets to Purchaser free and clear of all liens,

mortgages and other encumbrances (other than Permitted Encumbrances), and at or prior to the Closing, Seller and its Affiliates holding Assets shall cause its lenders, or other third parties, with liens or encumbrances on the Assets, if any, securing indebtedness for borrowed money to execute and deliver all documentation necessary to release all such liens and encumbrances.

(b) Except as set forth on Schedule 5.16(b), and except for such matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, to Seller's knowledge, none of Seller, any of its Affiliates or any third party operator of any of the Assets is in default with respect to any of its material obligations under or in respect of any of the Leases or Units.

Section 5.17 **Receipt of Revenues**. Except (a) as set forth on Schedule 5.17, (b) with respect to Assets that are not operated by Seller or any of its Affiliates, (c) for customary netting or off-sets made in the ordinary course of business, (d) for other netting or offsets permitted under the terms of written contracts, and (e) for such matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, to Seller's Knowledge, as of the Execution Date, Seller and any of its Affiliates holding and/or owning any of the Wells is timely receiving the full share of proceeds to which Seller or such Affiliate is entitled from the sale of Hydrocarbons produced from or allocable to the Wells and all other material income, revenues and proceeds earned from or with respect to any of the Wells, without suspense or counterclaim, netting or set-off.

Section 5.18 **Credit Support**. To Seller's Knowledge, Schedule 5.18 accurately sets forth a true and complete list of (a) all existing bonds, letters of credit, guarantees and other forms of credit support currently posted by Seller and relating to the Assets (collectively, the "**Credit Support**"), excluding for all purposes all bonds and other forms of credit support posted with governmental authorities or transportation or gathering providers in the ordinary course.

Section 5.19 **Midstream Assets**.

(a) Subject to the Permitted Encumbrances, Seller has good and valid title to all of the personal property, and good and indefeasible title to all of the Rights-of-Way and other surface interests, and gathering and pipeline systems that collectively comprise the Midstream Assets, free and clear of all claims and Encumbrances.

(b) No part of the Assets comprising the Midstream Assets is located on lands that are not subject to an easement or other surface right held by Seller (i) permitting the location of such assets on the lands covered by such easement or surface right and (ii) permitting the gathering, processing and transportation of oil and natural gas production from and through the gathering system and pipelines associated therewith except, in each case, where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Seller is in compliance with all terms and conditions of all Rights-of-Way except where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the interests conveyed to Purchaser thereby.

(c) To Seller's Knowledge, the Midstream Assets are in working order and repair (excluding normal wear and tear) adequate in all material respects for operation as currently being operated except where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 5.20 **Plugging and Abandonment**. To Seller's Knowledge, except as set forth on Schedule 5.20, and except for such matters that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, as of the Execution Date, (i) neither Seller nor any of its Affiliates has received any notices or demands from governmental authorities to plug or abandon or dismantle any Wells, in each case, that currently requires such plugging or abandonment to occur, (ii) there are no Wells that Seller is currently obligated by any applicable laws or other Permits to commence plugging, abandonment or dismantling, as applicable, on or prior to the Execution Date, excluding, for the avoidance of doubt, Wells that are currently subject to exceptions to a requirement to plug or abandon issued by a governmental authority and (iii) the Wells that have been plugged and abandoned by Seller have been plugged and abandoned in a manner that complies in all material respects with all applicable laws and other Permits.

Section 5.21 **Carried Obligations**. Except for (a) Seller's respective express obligations under the Material Contracts (including obligations with respect to non-consenting interest owners), (b) obligations with respect to non-participating fee simple mineral or working interest owners, and (c) drilling and normal ongoing lease operating expenses relating to the Wells, to Seller's Knowledge, Seller does not have any obligation to carry or bear any other interest owner's share of any expenses, obligations or any similar liabilities which exceed, individually or in the aggregate, two hundred and fifty thousand dollars ($250,000.00) (net to Seller's and its Affiliates' collective interests in the applicable Assets).

Section 5.22 **Area of Mutual Interest**. To Seller's Knowledge, except as set forth on Schedule 5.22, Seller nor any of its Affiliates nor any of the Assets is subject to any area of mutual interest agreements or agreements that include non-competition restrictions or other similar restrictions on doing business that would be binding on Purchaser or the Assets after Closing.

Section 5.23 **Environmental Matters**. To Seller's Knowledge:

(a) Except as set forth in Schedule 5.23(a), Seller is not a party (directly or as successor in interest) to any agreement with, or judgment of, any governmental authority with respect to the Assets that (i) is in existence as of the date of this Agreement and (ii) is based on any Environmental Laws that relate to the future use of any of the Assets.

(b) Except as set forth in Schedule 5.23(b), Seller has not received any unresolved written notice from any Person alleging that (i) Seller is not in compliance with all Environmental Laws with respect to its ownership or operation of the Assets or (ii) Seller is otherwise legally responsible for any release of hazardous substances related to its ownership or operation of the Assets.

(c) Notwithstanding any other provision of this Article V to the contrary, this Section 5.23 contains the sole and exclusive representations and warranties of Seller concerning matters with respect to Environmental Laws.

Notwithstanding the foregoing, to the extent that Seller has made any representations or warranties in this Article V in connection with matters relating to any Assets not operated by Seller, each and every such representation and warranty shall be deemed to be qualified by the phrase "To Seller's Knowledge" to the extent such individual representations or warranties does not already contain such qualification.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as follows:

Section 6.1 **Organization, Existence and Qualification**. Purchaser is an entity duly formed and validly existing under the Laws of the State of Delaware and in good standing under the laws of the State of Texas. Purchaser has all requisite power and authority to own and operate its property (including interests in the Assets following Closing) and to carry on its business with respect thereto. Purchaser is duly licensed or qualified to do business as a limited liability company in all jurisdictions in which the Assets are located, except where the failure to be so qualified would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement and perform its obligations hereunder.

Section 6.2 **Authority, Approval and Enforceability**. Purchaser has the power and authority to enter into and perform this Agreement and all Transaction Documents to be delivered at Closing by Purchaser and the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement have been, and the Transaction Documents to which Purchaser is a party will be at Closing, duly and validly authorized and approved by all necessary limited liability company action on the part of Purchaser. This Agreement is, and the Transaction Documents to which Purchaser is a party when executed and delivered by Purchaser will be, the valid and binding obligation of Purchaser and enforceable against Purchaser in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and similar Laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 6.3 **No Conflicts**. Assuming compliance with the HSR Act, if applicable, the execution, delivery and performance of this Agreement, and the Transaction Documents to be delivered by Purchaser at Closing, by Purchaser, and the consummation by Purchaser of the transactions contemplated hereby and thereby, will not (a) violate any provision of the organizational documents of Purchaser, (b) violate or result in the creation of any Encumbrance under any material agreement or instrument to which Purchaser is a party or by which its assets are subject, (c) violate any judgment, order, ruling, or decree applicable to Purchaser as a party in interest, or (d) violate any Law applicable to Purchaser, except in the case of subsection (b), (c) or (d) where such violation would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated by this Agreement and perform its obligations hereunder.

Section 6.4 **Bankruptcy**. There are no bankruptcy or receivership proceedings pending, being contemplated by or, to Purchaser's knowledge, threatened in writing against Purchaser.

Section 6.5 **Brokers**. Neither Purchaser nor any of its Affiliates has incurred any obligation or liability for brokers' or finders' fees relating to the transactions contemplated hereby for which Seller or any of its Affiliates will be liable or have any responsibility.

Section 6.6 **Consents**. Except for compliance with the HSR Act, if applicable, there are no requirements for consents or approvals from third parties in connection with the consummation by Purchaser of the transactions contemplated by this Agreement.

Section 6.7 **No Distribution**. Purchaser is acquiring the Assets for its own account and not with the intent to make a distribution in violation of the Securities Act of 1933, as amended (and the rules and regulations pertaining thereto), or in violation of any other applicable securities Laws.

Section 6.8 **Knowledge and Experience**. Purchaser is sophisticated in the evaluation, purchase, ownership and operation of oil and gas properties and related facilities. In making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser has solely relied (a) on the representations and warranties of Seller set forth in Article V and (b) on its own independent investigation and evaluation of the Assets and the advice of its own legal, tax, economic, environmental, engineering, geological and geophysical advisors and not on any comments, statements, projections or other material made or given by any representative, consultant or advisor of Seller. Purchaser hereby acknowledges that, other than the representations and warranties made by Seller in Article V and the special warranty of title with respect to the Wells, neither Seller nor any representatives, consultants or advisors of Seller or its Affiliates will make or have made any representation or warranty, express or implied, at Law or in equity, with respect to the Assets. Purchaser is able to bear the risks of the acquisition of the Assets, and assumption of the obligations, in accordance with and as set forth in this Agreement, and understands the risks of, and other considerations relating to, a purchase of the Assets.

Section 6.9 **Regulatory**. No later than five (5) days prior to the Scheduled Closing Date and continually thereafter Purchaser shall be qualified to own and assume operatorship of oil, gas and mineral leases in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated by this Agreement will not cause Purchaser to be disqualified as such an owner or operator. To the extent required by any applicable Laws, Purchaser shall, as of the Scheduled Closing Date, (a) hold all lease bonds and any other surety or similar bonds as may be required by, and in accordance with, all applicable Laws governing the ownership and operation of the Assets and (b) have filed any and all required reports necessary for such ownership and operation with all governmental authorities having jurisdiction over such ownership and operation.

Section 6.10 **Funds**. Purchaser has, and at the Closing will have, such funds as are necessary for the payment of the Purchase Price and the consummation by Purchaser of the transactions contemplated hereby, including the performance of all of Purchaser's obligations hereunder.

ARTICLE VII
PRE-CLOSING COVENANTS OF THE PARTIES

Section 7.1 **Operations**.

(a) Except (w) as set forth in Schedule 7.1, (x) for the operations covered by the AFEs described in Schedule 5.10, (y) as required in the event of an emergency to protect life, property or the environment, and (z) as expressly contemplated by this Agreement or as expressly consented to in writing by Purchaser (which consent shall not be unreasonably delayed, withheld or conditioned), Seller shall, during the Interim Period:

(i) operate or, in the case of those Assets not operated by Seller or its Affiliates, use its commercially reasonable efforts to cause to be operated, the Assets in the usual, regular and ordinary manner consistent with past practice, subject to (A) Seller's right to comply with the terms of the Leases, Existing Contracts, applicable Laws and requirements of governmental authorities and (B) interruptions resulting from force majeure, mechanical breakdown and planned maintenance; and

(ii) maintain, or cause to be maintained, the books of account and Records relating to the Assets in the usual, regular and ordinary manner and in accordance with the past practices of Seller.

(b) Except (w) as set forth in Schedule 7.1, (x) for the operations covered by the AFEs described in Schedule 5.10, (y) as required in the event of an emergency to protect life, property or the environment, and (z) as expressly contemplated by this Agreement or as expressly consented to in writing by Purchaser (which consent shall not be unreasonably delayed, withheld or conditioned), Seller shall not, during the Interim Period:

(i) terminate (unless the term thereof expires pursuant to the provisions existing therein), amend, extend or surrender any rights under any Lease or Right-of-Way; provided that Seller shall be permitted to amend any Lease to increase its pooling authority;

(ii) subject to Section 7.1(d), propose or approve any individual AFE or similar request under any Existing Contract (other than those expressly required under the terms of any Existing Contract or by any order of a governmental authority) that would reasonably be estimated to require expenditures by Seller (net to its interest) in excess of one hundred thousand dollars ($100,000.00);

(iii) transfer, sell, mortgage, pledge or dispose of any portion of the Assets other than the (A) sale and/or disposal of Hydrocarbons in the ordinary course of business and (B) sale of equipment that is no longer necessary in the operation of the Assets or for which replacement equipment has been obtained; or

(iv) commit to do any of the foregoing.

(c) Purchaser acknowledges Seller owns undivided interests in certain of the properties comprising the Assets that it is not the operator thereof, and Purchaser agrees that the acts or omissions of the other Working Interest owners (including the operators) who are not Seller or any Affiliates of Seller shall not constitute a breach by Seller of the provisions of this Section 7.1, nor shall any action required by a vote of Working Interest owners constitute such a breach so long as Seller has voted its interest in a manner that complies with the provisions of this Section 7.1.

(d) With respect to any AFE or similar request received by Seller that is estimated to cost in excess of one hundred thousand dollars ($100,000.00), Seller shall forward such AFE to Purchaser as soon as is reasonably practicable and thereafter the Parties shall consult with each other regarding whether or not Seller should elect to participate in such operation. Purchaser agrees that it will (i) timely respond to any written request for consent pursuant to this Section 7.1(d), and (ii) consent to any written request for approval of any AFE or similar request that Purchaser reasonably considers to be economically viable. In the event the Parties are unable to agree within ten (10) days (unless a shorter time, not to be less than 48 hours, is reasonably required by the circumstances and the applicable joint operating agreement and such shorter time is specified in Seller's request for consent) of Purchaser's receipt of any consent request as to whether or not Seller should elect to participate in such operation, Seller's decision shall control and such operation shall be deemed to have been consented to by Purchaser.

Section 7.2 **Governmental Bonds**. Purchaser acknowledges that none of the bonds, letters of credit and guarantees, if any, posted by Seller or its Affiliates with governmental authorities and relating to the Assets are transferable to Purchaser. On or before the Closing Date, Purchaser shall obtain replacements for all such bonds, letters of credit and guarantees to the extent such replacements are necessary for Purchaser's ownership and/or operation of the Assets. At Closing, Purchaser shall cause the cancellation of the bonds, letters of credit and guarantees posted by Seller of its Affiliates with respect to the Assets.

Section 7.3 **Indemnity Regarding Access**. Purchaser hereby defends, indemnifies and holds harmless each of the operators of the Assets and the Seller Group from and against any and all Losses arising out of, resulting from or relating to, any field visit, environmental property assessment, or other due diligence activity conducted by Purchaser or any Purchaser's Affiliates or their respect representatives (including any environmental consultant or landman) with respect to the Assets, **EVEN IF SUCH LOSSES ARISE OUT OF OR RESULT FROM, SOLELY OR IN PART, THE SOLE, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF LAW OF OR BY A MEMBER OF THE SELLER GROUP PARTIES, EXCEPTING ONLY IN THE CASE OF THIS SECTION 7.3 LOSSES ACTUALLY RESULTING ON THE ACCOUNT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A MEMBER OF THE SELLER GROUP**. For the avoidance of doubt, this indemnity shall survive any termination of this Agreement, if applicable, and the Closing.

Section 7.4 **Financial Security**. As a condition of Closing, Purchaser will deliver to Seller at Closing an irrevocable performance bond in the amount of five million dollars ($5,000,000.00) in favor of Seller (the "**Performance Bond**") as additional evidence of Purchaser's financial security to guarantee Purchaser's obligations provided in Section 11.1(b). The Performance Bond shall be in a form substantially similar to the form attached as Exhibit I, issued by a financial institution acceptable to Seller, as Surety, being one with an A.M. Best Financial Strength Rating of "A" and an A.M. Best's Financial Size Category of XII.

(a) Upon occurrence of any of the following, Seller may draw on the Performance Bond, in whole or in part, without prior notice to Purchaser: (i) Seller is required in any manner to perform any Plugging and Abandonment Obligations, whether pursuant to an order or directive issued by a

governmental body or regulatory agency or otherwise; (ii) Purchaser is in default of any Plugging and Abandonment Obligation and Seller has opted to therefore perform any or all such obligations of Purchaser (provided however that nothing herein shall be construed as imposing an obligation upon Seller to so perform); or (iii) Purchaser commences proceedings or has proceedings commenced against it (which proceedings are not stayed within twenty-one (21) days of service thereof on Purchaser) in the nature of bankruptcy resulting from the insolvency or its liquidation or for the appointment of a receiver, administrator, trustee in bankruptcy or liquidator or its undertakings or assets. Provided, however, that a reorganization bankruptcy such as a Chapter 11 shall not be an event of default if Purchaser does not reject the Plugging and Abandonment Obligation, the Performance Bond remains in place and Purchaser is not in default of any Plugging and Abandonment Obligations.

(b) Seller shall release the Performance Bond in favor of Seller on or before the date that is one hundred and twenty (120) days from the date of receipt of evidence reasonably satisfactory to it that Purchaser has performed all obligations to abandon, restore and Remediate the Assets contemplated by Section 11.1(b). For purposes of this Section 7.4 and Section 11.1(b), evidence that a Plugging and Abandonment Obligation has been performed shall include written documentation as may be provided by any governmental authority under applicable law to reflect completion of a Plugging and Abandonment Obligation (including, without limitation, forms and documentation related to plugging and abandonment activities, decommissioning activities, site clearance activities and pipeline abandonment or removal activities and completion of remediation activities). Until such time as all of the Plugging and Abandonment Obligations with respect to the Assets have been performed, Seller reserves access rights to the Assets for the limited purpose of performing, documenting and/or verifying the Plugging and Abandonment Obligations, as needed.

(c) The provisions of this Section 7.4 are (i) binding on all successors and assigns of Purchaser with respect to any of the Assets and (ii) covenants running with the Assets. For the avoidance of doubt, in the event Purchaser sells, assigns or otherwise transfers less than all of the Wells to a transferee, the transferee shall be required to obtain a Performance Bond as set forth herein with respect to such transferee shall apply as to the Assets so sold, assigned or otherwise transferred, but shall not relieve Purchaser's obligation to maintain the Performance Bond as to any Assets it retains.

Section 7.5 **HSR Act**. No later than May 27, 2022, the Parties shall prepare and file with the Department of Justice Antitrust Division and the Federal Trade Commission the notification and reports form required for the transaction contemplated by the Agreement by the HSR Act, and all premerger notification filings required, if any, under comparable laws of other jurisdictions. The Parties shall request early termination of the HSR Act waiting period. Each Party shall: (a) cooperate fully with each other and shall furnish to the other such necessary information and reasonable assistance as the other may reasonably request in connection with its preparation of any filings under any premerger notification rules; (b) furnish the other Party with copies of any notices, correspondence, or other written communication received by it from any governmental authority relating to such filings; (c) permit the other Party to review and incorporate the other Party's reasonable comments in any communication given by it to any governmental authority in a manner that protects attorney client or attorney work product privilege; and (d) give the other Party reasonable prior notice of, and an opportunity to participate in any meeting with any governmental authority with respect to such filings. Each Party shall use commercially reasonable efforts to take all actions reasonably necessary and appropriate in connection with any HSR Act filing or other premerger notification to satisfy the conditions to closing and consummate the transaction contemplated by this Agreement as promptly as practicable. The Parties agree to respond promptly to any inquiries or requests for information or documentary material from the Department of Justice Antitrust Division or the Federal Trade Commission concerning such filings and to comply in all material respects with the filing requirements of the HSR Act. Notwithstanding anything in this Agreement to the contrary, in no event will either Party be obligated to propose or agree to accept any undertaking or condition, to enter into any consent decree, to make any material divestiture, to accept any material operational restriction, or take any other action that, in the reasonable judgment of the Party, could be expected to materially limit the right of the Party to own or operate all or any portion of its businesses or assets. For the avoidance of doubt, nothing in this Section 7.5 or this Agreement shall require Purchaser or Seller to propose, negotiate, effect or agree to, the sale, divestiture, license or other disposition of any assets or businesses of Purchaser or Seller (including the Assets) or otherwise take any action that limits the freedom of action with respect to, or its ability to retain or operate any of the businesses or assets of Purchaser or Seller or the Assets. Any fees or expenses related to filings required by this Section 7.5 shall be paid by the Purchaser **.**

ARTICLE VIII
PURCHASER'S CONDITIONS TO CLOSING

The obligations of Purchaser to consummate the transactions provided for herein are subject, at the option of Purchaser, to the fulfillment by Seller or waiver by Purchaser, on or prior to Closing of each of the following conditions:

Section 8.1 **Representations**. Each of the representations and warranties of Seller set forth in Article V shall be true and correct in all respects on and as of the Closing Date, with the same force and without giving effect to any qualifiers as to materiality, including a Material Adverse Effect, as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date), except for those breaches, if any, of such representations and warranties that in the aggregate would not have a Material Adverse Effect.

Section 8.2 **Performance**. Seller shall have performed or complied in all material respects with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Seller is required prior to or at the Closing Date.

Section 8.3 **No Legal Proceedings**. No suit, action, or other proceeding by any third party shall be pending by or before any governmental authority seeking to restrain, prohibit, enjoin, or declare illegal, or seeking substantial damages in connection with, the transactions contemplated by this Agreement.

Section 8.4 **Title Defects, Environmental Defects and Casualty Loss** . Without giving effect to the Aggregate Title Defect Deductible or the Aggregate Environmental Defect Deductible, the sum of (a) the Title Defect Amounts of all uncured Title Defects exceeding the Individual Title Defect Threshold, plus (b) all Remediation Amounts for uncured Environmental Defects exceeding the Individual Environmental Defect Threshold, plus (c) the amount of loss in value of the Assets resulting from all Casualty Losses, as determined in accordance with Section 4.13, minus the aggregate Title Benefit Amounts of all Title Benefits as determined pursuant to Section 4.7, shall be less than twenty percent (20%) of the Purchase Price.

Section 8.5 **HSR Act**. If applicable, (a) the waiting period under the HSR Act applicable to the consummation of the transactions contemplated

hereby shall have expired, (b) notice of early termination shall have been received, or (c) a consent order shall have been issued (in form and substance satisfactory to Seller) by or from applicable governmental authorities.

Section 8.6 **Closing Certificate**. Seller shall have executed and delivered to Purchaser an officer's certificate, dated as of the Closing Date and substantially in the form of Exhibit F, certifying that the conditions set forth in Section 8.1 and Section 8.2 have been fulfilled and, if applicable, any exceptions to such conditions that have been waived by Purchaser.

Section 8.7 **Closing Deliverables**. Seller shall have delivered (or be ready, willing and able to deliver at Closing) to Purchaser the documents required to be delivered by Seller at Closing.

ARTICLE IX
SELLER'S CONDITIONS TO CLOSING

The obligations of Seller to consummate the transactions provided for herein are subject, at the option of Seller, to the fulfillment by Purchaser or waiver by Seller on or prior to Closing of each of the following conditions:

Section 9.1 **Representations**. Each of the representations and warranties of Purchaser set forth in Article VI shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that refer to a specified date, which need only be true and correct on and as of such specified date).

Section 9.2 **Performance**. Purchaser shall have performed or complied in all material respects with all obligations, agreements, and covenants contained in this Agreement as to which performance or compliance by Purchaser is required prior to or at the Closing Date.

Section 9.3 **No Legal Proceedings**. No suit, action, or other proceeding by any third party shall be pending by or before any governmental authority seeking to restrain, prohibit, or declare illegal, or seeking substantial damages in connection with, the transactions contemplated by this Agreement.

Section 9.4 **Title Defects, Environmental Defects and Casualty Losses**. Without giving effect to the Aggregate Title Defect Deductible or the Aggregate Environmental Defect Deductible, the sum of (a) the Title Defect Amounts of all uncured Title Defects exceeding the Individual Title Defect Threshold, plus (b) all Remediation Amounts for uncured Environmental Defects exceeding the Individual Environmental Defect Threshold, plus (c) the amount of loss in value of the Assets resulting from all Casualty Losses, as determined in accordance with Section 4.13, minus the aggregate Title Benefit Amounts of all Title Benefits as determined pursuant to Section 4.7, shall be less than twenty percent (20%) of the Purchase Price.

Section 9.5 **HSR Act**. If applicable (a) the waiting period under the HSR Act applicable to the consummation of the transactions contemplated hereby shall have expired, (b) notice of early termination shall have been received, or (c) a consent order shall have been issued (in form and substance satisfactory to Seller) by or from applicable governmental authorities.

Section 9.6 **Closing Certificate**. Purchaser shall have executed and delivered to Seller an officer's certificate, dated as of the Closing Date and substantially in the form of Exhibit G, certifying that the conditions set forth in Section 9.1 and Section 9.2 have been fulfilled and, if applicable, any exceptions to such conditions that have been waived by Seller.

Section 9.7 **Closing Deliverables**. Purchaser shall have delivered (or be ready, willing and able to deliver at Closing) to Seller the documents and other items required to be delivered by Purchaser at Closing.

ARTICLE X
CLOSING

Section 10.1 **Time and Place of Closing**. The consummation of the transactions contemplated by this Agreement (the " **Closing**") shall be held on or before June 30, 2022 (the "**Scheduled Closing Date**"), at Seller's offices at 22777 Springwoods Village Parkway, Spring, Texas 77389; provided that if all of the conditions to that Closing are not satisfied as of the Scheduled Closing Date, then Closing shall be held three (3) Business Days after all such conditions have been satisfied or waived, or such other date as the Parties may mutually agree in writing, but in no event later than September 30, 2022 (the "**Longstop Date**").

Section 10.2 **Calculation of Adjusted Purchase Price**. Not less than five (5) Business Days prior to the Closing, Seller shall prepare and submit to Purchaser for review a draft settlement statement (the "**Preliminary Settlement Statement**") that shall set forth (a) the Adjusted Purchase Price, reflecting each adjustment made in accordance with this Agreement as of the date of preparation of such Preliminary Settlement Statement and the itemized calculation (recognizing that Seller may elect to use reasonable good faith estimates in the Preliminary Settlement Statement) and (b) the designation of Seller's accounts for the wire transfers of funds at Closing. Within three (3) Business Days of receipt of the Preliminary Settlement Statement, Purchaser will deliver to Seller a written report containing all changes with the explanation therefor that Purchaser proposes to be made to the Preliminary Settlement Statement. The Preliminary Settlement Statement, as agreed upon by the Parties, will be used to adjust the Purchase Price at Closing; provided that if the Parties do not agree upon an adjustment set forth in the Preliminary Settlement Statement, then the amount of such adjustment used to adjust the Purchase Price at Closing shall be that amount set forth in the draft Preliminary Settlement Statement delivered by Seller to Purchaser pursuant to this Section 10.2. Final adjustments to the Purchase Price shall be made pursuant to Section 12.1 below.

Section 10.3 **Failure to Close**. If the conditions to Closing have been satisfied or waived on or before the Longstop Date, and either Party fails to close, the Party failing to close shall be deemed to have breached the obligations it has undertaken hereunder to perform at Closing, and shall be subject to the provisions of Article XV below.

Section 10.4 **Closing Obligations**. At the Closing:

(a) Seller and Purchaser shall execute, acknowledge and deliver the Assignment and Surface Fee Deed in sufficient duplicate originals to allow recording in all appropriate counties;

(b) Seller and Purchaser shall execute and deliver assignments, on appropriate forms, of state, federal, tribal and other Leases of governmental authorities included in the Assets in sufficient counterparts to facilitate filing with the applicable governmental authorities;

(c) Seller and Purchaser shall acknowledge the Preliminary Settlement Statement;

(d) Seller or, if applicable, its regarded parent, shall deliver to Purchaser a non-foreign entity affidavit in the form of Exhibit H;

(e) Seller, if and as applicable, shall deliver all appropriate or required forms, applications, notices, permit transfers, declarations, to be filed with the appropriate governmental authorities having jurisdiction with respect to the transfer of operatorship to Purchaser of the Assets that are operated by Seller immediately prior to the Closing;

(f) Seller and Purchaser shall execute, acknowledge and deliver transfer orders or letters-in-lieu thereof in customary form prepared by Seller directing all purchasers of production to make payment to Purchaser of proceeds attributable to production from the Assets from and after Closing;

(g) Purchaser shall make the payment described in Section 3.4(b);

(h) Purchaser shall furnish evidence that all requirements to own and/or operate the Assets, including bonds and permits, from any governmental authority having jurisdiction, or as required by any Existing Contract, have been satisfied;

(i) Purchaser will execute and deliver the Performance Bond;

(j) Seller and Purchaser shall execute a Transition Services Agreement in a form substantially similar to the form set forth on Exhibit J; and

(k) Seller and Purchaser shall execute such other instruments and take such other actions as may be necessary to carry out their respective obligations under this Agreement.

ARTICLE XI
POST-CLOSING OBLIGATIONS

Section 11.1 **Assumed Obligations**. Without limiting Purchaser's rights to indemnity under Section 11.3 (if applicable), if the Closing occurs, from and after Closing, Purchaser hereby assumes and agrees to fulfill, perform, pay and discharge all obligations and Losses, known or unknown, with respect to the Assets or the ownership, use or operation thereof, regardless of whether such obligations or Losses arose prior to, on or after the Effective Time, including obligations and Losses relating to the following (all of such obligations and Losses, the "**Assumed Obligations**"):

(a) the payment of owners of Working Interests, royalties, overriding royalties and other interests all revenues attributable thereto, including the Suspense Funds transferred to Purchaser in accordance with Section 12.2;

(b) fully performing all plugging, decommissioning and abandonment obligations with respect to the Assets or the ownership, use or operation thereof (the "**Plugging and Abandonment Obligations**"), regardless of whether such obligations arose prior to, on, or after the Effective Time, in a good and workmanlike manner and in compliance with all Laws, including:

(i) the necessary and proper plugging, replugging, and abandonment of all wells on the Assets, whether plugged and abandoned prior to, on, or after the Effective Time;

(ii) the necessary and proper removal, abandonment, decommissioning, and disposal of all structures, pipelines, facilities, equipment, abandoned property, and junk located on or comprising part of the Assets;

(iii) the necessary and proper capping and burying of all flow lines and pipelines associated with the Assets and located on or comprising part of the Assets; and

(iv) the necessary and proper restoration of the property, both surface and subsurface, as may be required by Laws or contract;

(c) furnishing make-up gas according to the terms of applicable Existing Contracts, and to satisfy all other Imbalances, if any;

(d) the environmental and physical condition of the Assets, whether such condition existed prior to, on or after the Effective Time, including Environmental Defects, if any, with respect to the Assets, whether or not asserted by Purchaser in accordance with this Agreement, including the clean-up, restoration and remediation of all sites associated with the Assets in accordance with applicable Law, including all Environmental Laws;

(e) obligations or Losses under or imposed on the lessee, owner, or operator under the Leases, the Existing Contracts and applicable Laws; and

(f) storing, handling, transporting and disposing of or discharging all materials, substances and wastes from the Assets (including produced water, drilling fluids, NORM, and other wastes), whether present prior to, on or after the Effective Time, in accordance with applicable Laws and contracts.

Section 11.2 **Purchaser's Indemnity**. Effective upon Closing, **REGARDLESS OF FAULT**, Purchaser shall protect, defend, indemnify and hold harmless the Seller Group from and against any and all Losses arising out of, attributable to, based upon or related to:

(a) any breach of any representation or warranty made by Purchaser in Article VI of this Agreement, in the certificate delivered by Purchaser pursuant to Section 9.6, or any covenant or agreement of Purchaser contained in this Agreement; or

(b) any of the Assumed Obligations.

Section 11.3 **Seller's Indemnity**. Effective upon Closing, **REGARDLESS OF FAULT**, Seller shall protect, defend, indemnify and hold harmless the Purchaser Group from and against any and all Losses arising out of, attributable to, based upon or related to:

(a) any breach of any representation or warranty made by Seller in Article V of this Agreement, in the certificate delivered by Seller pursuant to Section 8.6; or any covenant or agreement of Seller contained in this Agreement;

(b) the Excluded Assets;

(c) Seller's failure to pay any royalties or other burdens on production to the extent relating to the production of Hydrocarbons from the Assets prior to the Effective Time;

(d) any personal injury or death attributable to Seller's or its Affiliates' operation of the Assets prior to the Effective Time, to the extent a claim relating thereto is asserted by third parties not affiliated with Purchaser and for which Purchaser's indemnity in Section 7.3 does not apply;

(e) the litigation and/or administrative proceedings set forth on Schedule 11.3(e); or

(f) matters related to taxes accruing prior to the Effective Time and more fully set forth in Article XIII.

Seller agrees Section 11.12 in no way limits the rights of the Purchaser Group under this Section 11.3.

Section 11.4 **Regardless of Fault**. The phrase "**REGARDLESS OF FAULT**" means **WITHOUT REGARD TO THE CAUSE OR CAUSES OF ANY CLAIM, INCLUDING WHETHER OR NOT A CLAIM IS CAUSED IN WHOLE OR IN PART BY**:

(a) **THE NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, COMPARATIVE, CONTRIBUTORY, ACTIVE, PASSIVE, GROSS OR OTHERWISE) WILLFUL MISCONDUCT, STRICT LIABILITY, OR OTHER FAULT OF ANY OF THE INDEMNIFIED PARTIES; AND/OR**

(b) **A PRE-EXISTING DEFECT, WHETHER PATENT OR LATENT, WITH RESPECT TO THE PROPERTY OF ANY OF THE PARTIES, THEIR AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES; AND/OR THE UNSEAWORTHINESS OF ANY VESSEL OR UNAIRWORTHINESS OF ANY AIRCRAFT OR MECHANICAL FAILURE OF ANY VEHICLE OF A PARTY, ITS AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, WHETHER CHARTERED, LEASED, OWNED, OR FURNISHED OR PROVIDED BY ANY OF THE PARTIES, THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES.**

Section 11.5 **Limitation on Liability**.

(a) Seller shall not have any liability for any indemnification under Section 11.3(a) for any individual Loss unless the amount of such Loss exceeds two million five hundred thousand dollars ($2,500,000.00), and (ii) until and unless the aggregate amount of all such Losses for which Claim Notices are delivered by Purchaser exceeds fifteen million dollars ($15,000,000.00) (the "**Indemnity Deductible**") and then only to the extent such Losses exceed the Indemnity Deductible.

(b) Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to indemnify the Purchaser Group (i) under Section 11.3(a) for aggregate Losses in excess of twenty-five percent (25%) of the Purchase Price, and (ii) otherwise under the terms of this Agreement for aggregate Losses in excess of one hundred percent (100%) of the Adjusted Purchase Price.

Section 11.6 **Exclusive Remedy**. Notwithstanding anything to the contrary contained in this Agreement, except with respect to any breach by Purchaser of its obligations to maintain the Performance Bond from and after Closing (in which event, Seller shall have all remedies at law or in equity on account of such breach), from and after the Closing, Section 4.8(c), Section 7.3, Section 11.2, Section 11.3, Section 11.12 and Section 12.2 contain the Parties' exclusive remedy against each other with respect to the transactions contemplated hereby and the sale of the Assets, including breaches of the representations, warranties, covenants and agreements of the Parties contained in this Agreement or in any document delivered pursuant to this Agreement.

Section 11.7 **Indemnification Procedures**. All claims for indemnification under this Agreement shall be asserted and resolved as follows:

(a) For purposes of this Agreement, the term "**Indemnifying Party**" when used in connection with particular Losses shall mean the Party or Parties having an obligation to indemnify another Party or Parties with respect to such Losses pursuant to such sections, and the term "**Indemnified Party**" when used in connection with particular Losses shall mean the Party or Parties having the right to be indemnified with respect to such Losses by another Party or Parties pursuant to such sections.

(b) To make claim for indemnification under this Agreement, an Indemnified Party shall notify the Indemnifying Party of its claim under this Section 11.7, including the specific details of and specific basis under this Agreement for its claim (the " **Claim Notice**"). In the event that the claim for

indemnification is based upon a claim by an unaffiliated third party against the Indemnified Party (a "**Third Party Claim**"), the Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; provided that the failure of any Indemnified Party to give notice of a Third Party Claim as provided in this Section 11.7 shall not relieve the Indemnifying Party of its indemnification obligations under this Agreement, except to the extent (and then only to the extent) such failure materially prejudices the Indemnifying Party's ability to defend against the claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement that was inaccurate or breached.

(c) In the case of a claim for indemnification based upon a Third Party Claim, the Indemnifying Party shall have thirty (30) days from its receipt of the Claim Notice to notify the Indemnified Party whether it admits or denies its liability to defend the Indemnified Party against such Third Party Claim at the sole cost and expense of the Indemnifying Party. The Indemnified Party is authorized, prior to and during such thirty (30) day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party admits its liability, it shall have the right and obligation to diligently defend, at its sole cost and expense, the Third Party Claim. The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof unless the compromise or settlement includes the payment of any amount by (because of the Indemnity Deductible or otherwise), the performance of any obligation by or the limitation of any right or benefit of, the Indemnified Party, in which event such settlement or compromise shall not be effective without the consent of the Indemnified Party, which shall not be unreasonably withheld or delayed. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate in contesting any Third Party Claim which the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, at its own expense, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this Section 11.7. An Indemnifying Party shall not, without the written consent of the Indemnified Party, (i) settle any Third Party Claim or consent to the entry of any judgment with respect thereto which does not include an unconditional written release of the Indemnified Party from all liability in respect of such Third Party Claim or (ii) settle any Third Party Claim or consent to the entry of any judgment with respect thereto in any manner that may materially and adversely affect the Indemnified Party (other than as a result of money damages covered by the indemnity).

(e) If the Indemnifying Party does not admit its liability (which it will be deemed to have so done if it fails to timely respond) or admits its liability but fails to diligently prosecute or settle the Third Party Claim, then the Indemnified Party shall have the right to defend against the Third Party Claim at the sole cost and expense of the Indemnifying Party, with counsel of the Indemnified Party's choosing, subject to the right of the Indemnifying Party to admit its liability and assume the defense of the Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its liability for a Third Party Claim, the Indemnified Party shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for ten (10) days following receipt of such notice to (i) admit in writing its liability for the Third Party Claim and (ii) if liability is so admitted, reject, in its reasonable judgment, the proposed settlement.

(f) In the case of a claim for indemnification not based upon a Third Party Claim, the Indemnifying Party shall have thirty (30) days from its receipt of the Claim Notice to (i) cure the Losses complained of, (ii) admit its liability for such Loss or (iii) dispute the claim for such Losses. If the Indemnifying Party does not notify the Indemnified Party within such thirty (30) day period that it has cured the Losses or that it disputes the claim for such Losses, then the Indemnifying Party shall be deemed to be disputing the claim for such Losses.

Section 11.8 **Survival**.

(a) The (i) representations and warranties of Seller in Article V and in the certificate delivered at Closing by Seller pursuant to Section 8.6, and (ii) the covenants and agreements of Seller contained herein to be performed prior to Closing, shall, in each case, survive the Closing for a period of fourteen (14) months after the Closing Date. The representations and warranties of Purchaser contained herein shall survive the Closing for a period of fourteen (14) months, and the covenants and agreements of Purchaser contained herein shall survive without time limit.

(b) Subject to Section 11.8(a) and except as set forth in Section 11.8(c), the remainder of this Agreement shall survive the Closing without time limit. Representations, warranties, covenants and agreements shall be of no further force and effect after the date of their expiration; provided that there shall be no termination of any bona fide claim asserted pursuant to this Agreement with respect to such a representation, warranty, covenant or agreement prior to its expiration date.

(c) The indemnities in Section 11.2(a) and Section 11.3(a) shall terminate as of the termination date of each respective representation, warranty, covenant or agreement that is subject to indemnification, except, in each case, as to matters for which a specific written claim for indemnity has been delivered to the Indemnifying Party on or before such termination date. The indemnities in Section 11.3(c), Section 11.3(d), Section 11.3(e) and Section 11.3(f) shall survive the Closing for a period of eighteen (18) months after the Closing Date. The indemnities in Section 11.2(b) and Section 11.3(b) shall survive the Closing without time limit.

Section 11.9 **Waiver of Right to Rescission**. Seller and Purchaser acknowledge that, following the Closing, the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained herein or for any other claim arising in connection with or with respect to the transactions contemplated by this Agreement. As the payment of money shall be adequate compensation, following the Closing, Purchaser and Seller waive any right to rescind this Agreement or any of the transactions contemplated hereby.

Section 11.10 **Non-Compensatory Damages**. No Indemnified Parties shall be entitled to recover from an Indemnifying Party or its Affiliates any indirect, special, incidental, consequential, punitive, exemplary, remote or speculative damages or damages for lost profits of any kind arising under or in

connection with this Agreement or the transactions contemplated hereby, except to the extent any such Party suffers such damages to a third party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder.

Section 11.11 **Insurance**. The amount of any Losses for which any of the Purchaser Group or Seller Group is entitled to indemnification under this Agreement or in connection with or with respect to the transactions contemplated by this Agreement shall be reduced by any corresponding insurance proceeds actually received by any such indemnified Party under any insurance arrangements.

Section 11.12 **ExxonMobil Insurance**. Exxon Mobil Corporation, along with its predecessors and affiliates, including Seller, may have or have had coverage under various insurance policies ("**ExxonMobil Policies**") covering the Assets. Purchaser agrees that: (a) no insurance coverage shall be provided under the ExxonMobil Policies to Purchaser, including any policies insured or reinsured by Ancon Insurance Company Inc. or Petroleum Casualty Company (collectively "**Captives**"), (b) from and after Closing, Purchaser assumes any and all responsibilities for effecting and maintaining insurance in respect of the Assets and replacing Captives, where applicable; (c) Purchaser shall indemnify and defend Seller, its parents and Affiliates (including Captives) against, and shall hold them harmless from, any claim made after the Closing against any of the ExxonMobil Policies with respect to the Assets, including all costs and expenses (including attorneys' fees) related thereto.

ARTICLE XII
CERTAIN ADDITIONAL AGREEMENTS

Section 12.1 **Post-Closing Settlement Statement**.

(a) As soon as reasonably practicable after the Closing Date, but in no event longer than the later of (a) one hundred and fifty (150) days after the Closing Date, or (b) ninety (90) days after the end of the term of the Transition Services Agreement (the "**Final Settlement Date**"), Seller shall prepare, in accordance with this Agreement, and deliver to Purchaser, a final statement (the "**Final Settlement Statement**") setting forth each adjustment to the Purchase Price in accordance with Section 3.2 and Section 3.3. The Final Settlement Statement also will include any adjustments necessary because Seller chose to attempt to cure a Title Defect under Section 4.3 of this Agreement. As soon as reasonably practicable, but in any event within thirty (30) days after receipt of the Final Settlement Statement, Purchaser shall return to Seller a written report containing any proposed changes to the Final Settlement Statement and an explanation of any such changes and the reasons therefor (the "**Dispute Notice**"). Purchaser's failure to deliver to Seller a Dispute Notice detailing proposed changes to the Final Settlement Statement by such date shall be deemed to be an acceptance by Purchaser of the Final Settlement Statement delivered by Seller, and Seller's determinations with respect to all such adjustments in the Final Settlement Statement that are not addressed in the Dispute Notice shall prevail. The Parties shall undertake to agree on the Adjusted Purchase Price no later than the later of (a) one hundred eighty (180) days after the Closing Date, or (b) one hundred twenty (120) days after the end of the term of the Transition Services Agreement (the "**Target Settlement Date**"). If the final Purchase Price set forth in the Final Settlement Statement is mutually agreed upon by Seller and Purchaser prior to the Target Settlement Date or is deemed agreed pursuant to the foregoing (or determined by the Agreed Accounting Firm pursuant to Section 12.1(b)), the Final Settlement Statement and such final Adjusted Purchase Price (the "**Final Price**"), shall be final and binding on the Parties. Any difference in the Adjusted Purchase Price as paid at Closing pursuant to the Preliminary Settlement Statement and the Final Price shall be paid by the owing Party on or before the date that is ten (10) days following agreement or deemed agreement (or determination by the Agreed Accounting Firm, as applicable) (such date, the "**Final Payment Date**") to the owed Party. All amounts paid or transferred pursuant to this Section 12.1(a) shall be delivered in United States currency by wire transfer of immediately available funds to the account specified in writing by the relevant Party.

(b) If Seller and Purchaser cannot reach agreement on the Final Price by the Target Settlement Date, either Party may refer the remaining issues in dispute to the Agreed Accounting Firm. If such issues in dispute are submitted to the Agreed Accounting Firm for resolution, Seller and Purchaser will each enter into a customary engagement letter with the Agreed Accounting Firm at the time the issues in dispute are submitted to the Agreed Accounting Firm. Within ten (10) days of the appointment of the Agreed Accounting Firm, each of Seller and Purchaser shall present the Agreed Accounting Firm with its position on the issues in dispute with respect to the Final Price, and all other supporting information that it deems relevant, with a copy to the other Party. The Agreed Accounting Firm shall also be provided with a copy of this Agreement by Seller. Within forty-five (45) days after receipt of such materials, the Agreed Accounting Firm shall make its determination by selecting the position of either Seller or Purchaser for each of the issues presented to the Agreed Accounting Firm, which determination shall be final and binding upon all Parties and, absent manifest error, without right of appeal. In making its determination, the Agreed Accounting Firm shall be bound by the standards and rules set forth in Article IV (if applicable) and this Section 12.1 with regard to valuations. The Agreed Accounting Firm may not award damages, interest or penalties to either Party with respect to any matter. Seller and Purchaser shall each bear its own legal fees and other costs of presenting its case. Each Party shall bear one-half of the costs and expenses of the Agreed Accounting Firm.

Section 12.2 **Suspended Funds**. Seller will provide Schedule 12.2, a listing showing all estimated net proceeds from production attributable to the Assets (including positive and negative balances) which are held in suspense by Seller as of the Closing Date (the "**Suspense Funds**") because of lack of identity or address of owners, title defects, change of ownership, netting, over/under distributions or similar reasons. Together with the Final Settlement Statement, Seller shall provide Purchaser an updated Schedule 12.2, and shall credit Purchaser in the Final Settlement Statement an amount equal to the Suspense Funds reflected on such updated Schedule 12.2. For avoidance of doubt, in updating such Schedule, Seller shall have the option, but not the obligation, to retain any portion of the Suspense Funds attributable to the Assets prior to the Effective Time. Except as set forth in the preceding sentence, Purchaser shall be responsible for proper distribution of all Suspense Funds to the Persons lawfully entitled to them, and effective upon Closing, Purchaser hereby protects, defends, indemnifies and holds Seller harmless against any and all Losses associated with claims against the Suspense Funds solely as to Suspense Funds transferred to Purchaser.

Section 12.3 **Receipts and Credits**. Subject to the following sentence, after the Parties' agreement (or deemed agreement) upon the Final Settlement Statement, then, to the extent not accounted for in the Final Settlement Statement, if (i) any Party receives monies belonging to the other, including

proceeds of production, then such amount shall, within five (5) Business Days after the end of the month in which such amounts were received, be paid over to the proper Party, (ii) any Party pays monies for Property Expenses which are the obligation of the other Party hereto, then such other Party shall, within five (5) Business Days after the end of the month in which the applicable invoice and proof of payment of such invoice were received, reimburse the Party which paid such Property Expenses, (iii) a Party receives an invoice of an expense or obligation which is owed by the other Party, such Party receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same, and (iv) an invoice or other evidence of an obligation is received by a Party, which is partially an obligation of both Seller and Purchaser, then the Parties shall consult with each other, and each shall promptly pay its portion of such obligation to the obligee. Notwithstanding anything herein to the contrary, from eighteen (18) months after the Closing Date, Seller shall have no liabilities or obligations with respect to pre-Effective Time Property Expenses. Each of Seller and Purchaser shall be permitted to offset any Property Expenses owed by such Party to the other Party pursuant to this Section 12.3 against amounts owing by the second Party to the first Party pursuant to this Section 12.3, but not otherwise.

Section 12.4 **Records; Retention**.

(a) Within sixty (60) days after Closing, Seller will deliver to Purchaser, at Purchaser's cost and reasonable request, copies of files, records, and data relating to the Assets (the "**Records**") including title records (including abstracts of title, title opinions, title reports, and title curative documents), the Existing Contracts, correspondence and all related matters in the possession of Seller (but excluding corporate, financial, tax, and general accounting records, any document subject to the attorney-client or other privilege, and any document, data, or other information where disclosure is restricted by agreement with a third party). Purchaser must advise Seller before Closing which such files, records and data it wants copied.

(b) Purchaser, for a period of seven (7) years following the Closing, will (a) retain the Records, (b) provide Seller, its Affiliates and its and their officers, employees and representatives with access to the Records (to the extent that Seller has not retained the original or a copy) during normal business hours for review and copying at Seller's expense, and (c) provide Seller, its Affiliates and its and their officers, employees and representatives with access, during normal business hours, to materials received or produced after the Closing relating to any indemnity claim made under Section 11.3 for review and copying at Seller's expense.

Section 12.5 **Recording**. As soon as practicable after Closing, Purchaser, at its sole cost, shall record the Assignment and Surface Fee Deed in the appropriate counties and provide Seller with copies of the recorded Assignment and Surface Fee Deed.

Section 12.6 **Filing for Approvals**.

(a) Purchaser, at its sole cost, shall no later than thirty (30) days after Closing:

(i) file for approval with any governmental authorities having jurisdiction (including state, federal, tribal, and local) the transfer documents required to effectuate the transfer of the Assets;

(ii) execute, acknowledge (if necessary), and exchange, as applicable, any applications necessary to transfer to Purchaser any transferable Permits to which the Assets are subject, and which Seller has agreed to transfer under this Agreement;

(iii) file all appropriate forms, declarations, and bonds (or other authorized forms of security) with all applicable governmental authorities and third parties relative to Purchaser's assumption of operations or the transfer of the Assets; and

(iv) prepare and execute appropriate change of operator notices and third-party ballots required under applicable operating agreements.

(b) After Closing, the Parties further agree to take all other actions required of it by governmental authorities having jurisdiction to obtain all requisite regulatory approval with respect to this transaction, and to use their commercially reasonable efforts to obtain unconditional approval by such authorities of any transfer documents requiring governmental approval in order for Purchaser to be recognized as owner of the Assets. Each Party agrees to provide the other Party with approved copies of the documents contemplated by this Section 12.6, as soon as they are available.

Section 12.7 **Further Cooperation**. After Closing, Seller and Purchaser agree to take such further actions and to execute, acknowledge and deliver all such further documents that are reasonably necessary or useful in carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

Section 12.8 **Audited Financials**. As soon as is reasonably practicable after the Execution Date, Seller shall initiate an audit process , to be conducted by an independent accounting firm, to prepare audited financial statements of the Assets required of Purchaser pursuant to Securities and Exchange Commission ("**SEC**") Regulation S-X and Rule 3-05. Seller shall use its commercially reasonable efforts to cause the audit process to be completed in a timely fashion; provided that the Parties acknowledge and agree that the audit will be completed post-Closing. Such audit shall be at the sole expense of Purchaser, and the scope of such audit (including the time periods covered thereby) shall be limited to what is minimally required to meet the applicable SEC regulations, as determined by the appointed accounting firm, and taking into account the ultimate Closing Date. Seller shall have the sole right to select the accounting firm (and which Party engages the accounting firm), and the processes and procedures relating to the audit shall be subject to Seller's prior approval (provided that the processes and procedures are sufficient to meet the minimum requirements of the applicable SEC Regulations, as determined by the appointed accounting firm). Without limiting the foregoing, unless otherwise agreed by Seller, the accounting firm shall not disclose information to Purchaser that is proprietary to Seller or its Affiliates, including gas and liquids sales prices. Subject to Seller's compliance with the terms of this Section 12.8, Purchaser shall have no claim against Seller, and shall release, indemnify and hold the Seller Group harmless from, any and all Losses arising out of, attributable to, based upon, or related to the audit, including without limitation all internal and external costs and expenses associated with Seller's support of the audit. For the avoidance of doubt, in the

event this Agreement is terminated pursuant to any provision of Section 15.1 (other than due to breach of this Agreement by Seller), Seller shall have no obligation to continue the audit process and Purchaser shall indemnify Seller as set forth in this Section 12.8 for all Losses incurred by Seller through the effective date of termination.

ARTICLE XIII
TAXES

Section 13.1 **Apportionment of Ad Valorem and Property Taxes**. All Property Taxes with respect to the tax period in which the Effective Time occurs shall be apportioned as of the Effective Time between Seller and Purchaser. The Parties will make final settlement of all Property Taxes by estimating the Property Taxes to be due for the tax period in which the Effective Time occurs based on the Property Taxes assessed and paid for the immediately prior tax period. Such settlement of taxes shall be part of the Final Settlement Statement between the Parties. If Property Taxes have not been paid before Closing, Purchaser shall pay the Property Taxes and shall be credited for Seller's portion of the Property Taxes under Section 3.3(g). If Property Taxes have been paid before Closing, Seller shall be credited for Purchaser's portion of the Property Taxes under Section 3.2(c). Purchaser shall be responsible for all subsequent Property Taxes and interest that are applied to the Assets for the periods or portions thereof from and after the Effective Time.

Section 13.2 **Sales Taxes**. The Purchase Price is exclusive of any sales taxes or other similar taxes in connection with the sale of the Assets. If any sales or other similar taxes are assessed, Purchaser shall be solely responsible for the payment of such taxes. Purchaser shall be responsible for any applicable conveyance, transfer and recording fees, and real estate transfer stamps or taxes imposed on the transfer of the Assets pursuant to this Agreement. If Seller is required to pay any such taxes, then Purchaser will reimburse Seller for such amounts.

Section 13.3 **Severance and Production Taxes**. Without duplication, Seller shall bear all Severance Taxes, to the extent attributable to production from the Assets before the Effective Time. Purchaser shall bear all such Severance Taxes on production from the Assets on and after the Effective Time. Seller shall withhold and pay on behalf of Purchaser all such Severance Taxes on production from the Assets between the Effective Time and the Closing Date, if the Closing Date follows the Effective Time, and the amount of any such payment shall be reimbursed to Seller as a Closing adjustment to the Purchase Price pursuant to Section 12.1. If either Party pays Severance taxes owed by the other under this Agreement, upon receipt of evidence of payment the nonpaying Party will reimburse the paying Party promptly for its proportionate share of such taxes.

Section 13.4 **Cooperation**. Each Party shall provide the other Party with reasonable information which may be required by the other Party for the purpose of preparing tax returns and responding to any audit by any taxing jurisdiction. Each Party shall cooperate with all reasonable requests of the other Party made in connection with contesting the imposition of taxes. Notwithstanding anything to the contrary in this Agreement, neither Party shall be required at any time to disclose to the other Party any tax returns or other confidential tax information.

ARTICLE XIV
DISCLAIMERS AND WAIVERS

Section 14.1 **Condition of the Assets. PURCHASER ACKNOWLEDGES AND AGREES THAT, SUBJECT TO THE PROVISIONS OF ARTICLE IV AND PURCHASER'S RIGHTS UPON A BREACH BY SELLER OF ANY OF ITS REPRESENTATIONS OR WARRANTIES CONTAINED IN ARTICLE V, PURCHASER SHALL ACQUIRE THE ASSETS (INCLUDING ASSETS FOR WHICH A DEFECT NOTICE IS GIVEN UNDER ARTICLE IV) IN AN "AS IS, WHERE IS" CONDITION AND SHALL ASSUME ALL RISKS THAT THE ASSETS MAY CONTAIN WASTE MATERIALS (WHETHER TOXIC, HAZARDOUS, EXTREMELY HAZARDOUS OR OTHERWISE) OR OTHER ADVERSE PHYSICAL CONDITIONS, INCLUDING THE PRESENCE OF UNKNOWN ABANDONED WELLS, PUMPS, PITS, PIPELINES OR OTHER WASTE OR SPILL SITES WHICH MAY NOT HAVE BEEN REVEALED BY PURCHASER'S ENVIRONMENTAL ASSESSMENT. UPON THE OCCURRENCE OF CLOSING, BUT SUBJECT TO PURCHASER'S RIGHTS UPON A BREACH BY SELLER OF ANY OF ITS REPRESENTATIONS OR WARRANTIES CONTAINED IN ARTICLE V, IF APPLICABLE, ALL RESPONSIBILITY AND LIABILITY RELATED TO SUCH CONDITIONS, WHETHER KNOWN OR UNKNOWN, FIXED OR CONTINGENT, SHALL BE TRANSFERRED FROM SELLER TO PURCHASER WITHOUT RECOURSE AGAINST SELLER. WITHOUT LIMITING THE FOREGOING BUT SUBJECT TO PURCHASER'S RIGHTS UPON A BREACH BY SELLER OF ANY OF ITS REPRESENTATIONS OR WARRANTIES CONTAINED IN ARTICLE V, IF APPLICABLE, EFFECTIVE AS OF CLOSING, PURCHASER WAIVES ITS RIGHT TO RECOVER FROM SELLER AND FOREVER RELEASES AND DISCHARGES THE SELLER GROUP FROM ANY AND ALL LOSSES, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE OR MAY HAVE ARISEN PRIOR TO, ON OR AFTER THE EFFECTIVE TIME ON ACCOUNT OF OR IN ANY WAY CONNECTED WITH THE ENVIRONMENTAL OR OTHER PHYSICAL CONDITION OF THE ASSETS OR ANY VIOLATION BY SELLER, PURCHASER OR ANY OTHER PARTY OF ANY APPLICABLE LEASE, CONTRACT OR OTHER INSTRUMENT (BUT ONLY TO THE EXTENT SUCH RELATES TO THE ENVIRONMENTAL OR PHYSICAL CONDITION OF THE PROPERTY) OR OF ANY APPLICABLE EXISTING OR FUTURE ENVIRONMENTAL LAW, REGULATION, ORDER OR OTHER DIRECTIVE OF ANY GOVERNMENTAL AUTHORITY, HAVING JURISDICTION APPLICABLE THERETO, INCLUDING WITHOUT LIMITATION, ALL ENVIRONMENTAL LAWS. PURCHASER IS AWARE THAT THE ASSETS HAVE BEEN USED FOR EXPLORATION, DEVELOPMENT AND PRODUCTION OF OIL AND GAS AND THAT THERE MAY BE PETROLEUM, PRODUCED WATER, WASTES OR OTHER MATERIALS LOCATED ON OR UNDER THE LANDS COVERED BY THE LEASES (OR LANDS POOLED OR ASSOCIATED THEREWITH). EQUIPMENT AND SITES INCLUDED IN THE ASSETS MAY CONTAIN ASBESTOS, HAZARDOUS SUBSTANCES OR NORM. NORM MAY AFFIX OR ATTACH ITSELF TO THE INSIDE OF WELLS, MATERIALS AND EQUIPMENT AS SCALE, OR IN OTHER FORMS. THE WELLS, MATERIALS AND EQUIPMENT LOCATED ON THE LEASES OR LANDS POOLED OR ASSOCIATED THEREWITH MAY CONTAIN NORM AND OTHER WASTES OR HAZARDOUS SUBSTANCES, AND NORM-CONTAINING MATERIAL AND OTHER WASTES MAY HAVE BEEN BURIED, COME IN CONTACT WITH THE SOIL, OR OTHERWISE BEEN DISPOSED OF ON OR UNDER THE LANDS COVERED BY THE LEASES OR LANDS POOLED OR ASSOCIATED THEREWITH. SPECIAL PROCEDURES MAY BE REQUIRED FOR THE REMEDIATION, REMOVAL, TRANSPORTATION OR DISPOSAL OF WASTES, ASBESTOS, HAZARDOUS SUBSTANCES AND NORM FROM THE ASSETS.**

Section 14.2 **Other Disclaimers by Seller. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED FOR IN ARTICLES IV AND V OF THIS AGREEMENT, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (A) TITLE TO ANY OF THE ASSETS, (B) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (C) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (D) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (E) THE ABILITY TO PRODUCE HYDROCARBONS FROM THE ASSETS, (F) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (G) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (H) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO PURCHASER OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO AND (I) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT. EXCEPT AS AND TO THE LIMITED EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE V OF THIS AGREEMENT, SELLER FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY OF THE ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, OR RIGHTS OF A PURCHASER UNDER DECEPTIVE TRADE PRACTICE STATUTES, CONSUMER PROTECTION STATUTES OR OTHER SIMILAR STATUTES, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT PURCHASER SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT PURCHASER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS PURCHASER DEEMS APPROPRIATE.**

ARTICLE XV
TERMINATION

Section 15.1 **Right of Termination**. This Agreement and the transactions contemplated herein may be terminated at any time prior to the Closing:

(a) by the mutual written agreement of the Parties;

(b) by delivery of written notice from Purchaser to Seller if any of the conditions set forth in Article VIII (other than the conditions set forth in Section 8.3, Section 8.4 and Section 8.5) have not been satisfied by Seller (or waived by Purchaser) by the Longstop Date;

(c) by delivery of written notice from Seller to Purchaser if any of the conditions set forth in Article IX (other than the conditions set forth in Section 9.3, Section 9.4 and Section 9.5) have not been satisfied by Purchaser (or waived by Seller) by the Longstop Date;

(d) by either Party delivering written notice to the other Party if any of the conditions set forth in Section 8.3, Section 8.4, Section 8.5, Section 9.3, Section 9.4 or Section 9.5 are not satisfied or waived by the applicable Party on or before the Longstop Date; and

(e) by either Party, at any time at and after the Scheduled Closing Date, if (i) the conditions set forth in Articles VIII and IX (other than those conditions that by their terms are to be satisfied at Closing) have been satisfied or waived in accordance with this Agreement, (ii) such Party has indicated in writing to the other Party that it is ready, willing and able to consummate the Closing, and (iii) the other Party shall have failed to consummate the Closing by the close of business on the third (3rd) Business Day following the other Party's receipt of such written notification;

Provided however, that no Party shall have the right to terminate this Agreement pursuant to clause (b), (c), (d) or (e) above if such Party is at such time in material breach of any provision of this Agreement.

Section 15.2 **Effect of Termination**. If this Agreement is terminated pursuant to any provision of Section 15.1, then, except as provided in this Section 15.2 (and except for the provisions of Section 4.2(a), Section 7.3, Section 11.10, Section 11.12, Article XIV, this Article XV, and Article XVII), this Agreement shall forthwith become void and of no further force or effect and the Parties shall have no liability or obligation hereunder.

(a) If Seller has the right to terminate this Agreement pursuant to Section 15.1(c) because of a Willful Breach by Purchaser of this Agreement, or Section 15.1(e) above, Seller shall be entitled to (1) terminate this Agreement pursuant to Section 15.1 and retain the Deposit as liquidated damages, and not as a penalty, for such termination, free and clear of any claims thereon by Purchaser, or (2) seek the specific performance of Purchaser hereunder. The Parties agree that, should Seller elect the option under subpart (1) above, the foregoing described liquidated damages are reasonable considering all of the circumstances existing as of the Execution Date and constitute the Parties' good faith estimate of the actual damages reasonably expected to result from such termination of this Agreement by Seller.

(b) If Purchaser has the right to terminate this Agreement pursuant to Section 15.1(b) because of a Willful Breach by Seller of this Agreement, or Section 15.1(e) above, Purchaser shall be entitled to (1) terminate this Agreement pursuant to Section 15.1 and receive the Deposit from Seller, and (2) seek to recover damages from Seller up to but not exceeding the amount of the Deposit. If Purchaser is entitled to the return of the Deposit pursuant to this Section 15.2(b), Seller shall return the Deposit to Purchaser within five (5) Business Days of the date this Agreement is terminated.

(c) If this Agreement is terminated for any reason other than as set forth in Section 15.2(a) or Section 15.2(b), then the Parties shall have no liability or obligation hereunder as a result of such termination, and Seller shall, within five (5) Business Days of the date this Agreement is terminated,

return the Deposit to Purchaser free and clear of any claims thereon by Seller.

(d) Subject to the foregoing, upon the termination of this Agreement neither Party shall have any other liability or obligation hereunder and following any termination of this Agreement, Seller shall be free to all the rights and benefits associated with the ownership of the Assets, including the right to sell the Assets at Seller's discretion, without any claim by Purchaser with respect thereto.

Section 15.3 **Return of Documentation and Confidentiality**. Upon any termination of this Agreement, Purchaser shall return to Seller all title, engineering, geological and geophysical data, environmental assessments and/or reports, maps, documents and other information furnished by Seller to Purchaser or prepared by or on behalf of Purchaser in connection with its due diligence investigation of the Assets and an officer of Purchaser shall certify same to Seller in writing.

ARTICLE XVI
EMPLOYEES

Section 16.1 **Employees**. Within five (5) days of the Execution Date, Seller shall provide to Purchaser a list (the " **Employee List**") of all employees of Seller directly engaged in the operation of the Assets (collectively, the "**Employees**"). The Employee List shall include for each Employee the current job title, work location, email, service date or hire date (if different), leave status, hourly or salaried (i.e., exempt or non-exempt) along with current compensation and equity, if applicable, and special pay programs. Seller shall update the Employee List as necessary at any time prior to twenty-three (23) days before the Closing to reflect any and all employment changes. Purchaser shall extend offers of employment to each of the Employees no later than twenty (20) days prior to Closing. Purchaser shall provide Seller with an update on job acceptances and declines no later than five (5) days prior to Closing. Seller will inform the Employees that their employment with Seller will terminate upon Closing, whether or not they accept the offer of employment from Purchaser.

Section 16.2 **Retirement Eligible Subject Employees**. Notwithstanding any language in this Agreement to the contrary, the Employees listed in Part B of the Employee List are within three years of retirement eligibility under Seller's benefit plans ("**Near Retirement Eligible Employees**"). Purchaser shall make an offer of employment to all Near Retirement Eligible Employees, which offer will include initial salary or wages that will be reasonably comparable, when taking into account Purchaser's salary structure and pay mix for the same or similar job, to such Employee's job, salary or wages immediately prior to the Closing. For any Near Retirement Eligible Employees who accept an employment offer from Purchaser, Purchaser shall maintain the employment (other than for prohibited conduct as determined under Purchaser's written personnel policies, a voluntary resignation, or death) of any such Near Retirement Eligible Employees at least until each such Near Retirement Eligible Employee meets the eligibility requirements of Seller's benefit plans (at least fifty-five (55) years old with at least fifteen (15) years of service with Seller and its affiliates and Purchaser and its affiliates).

Section 16.3 **Subject Employees Hired by Purchaser**. In connection with an Employee who accepts Purchaser's offer of employment, Purchaser covenants that the initial salary or wages of any such Employee will be reasonably comparable, when taking into account Purchaser's salary structure and pay mix for the same or similar job, to such Employees' salary or wages immediately prior to the Closing Date, and the Purchaser will not reduce the salary or wages during the twelve-month period after any such Employee commences employment with Purchaser. The Purchaser agrees to recognize and grant credit for service with Seller for benefit programs including vacation accrual under the Purchaser's vacation program. In addition, if the Purchaser separates any Employee during the twelve-month period after the Closing Date (other than for prohibited conduct as determined under Purchaser's written personnel policies, a voluntary resignation, or death), they will provide the Employee with a severance payment equal to or greater than the Seller's severance program would have provided the Employee.

Section 16.4 **No Solicitation**. For any Employee that elects not to accept the employment offer from Purchaser, then Purchaser (or any of its affiliates), for a period of six (6) months after the Closing Date, shall not employ or make an offer of employment to any such Employee.

ARTICLE XVII
MISCELLANEOUS

Section 17.1 **Entire Agreement**. This Agreement, including all Schedules and Exhibits attached hereto, constitutes the entire agreement between the Parties as to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions of the Parties, whether oral or written. No supplement, amendment, alteration, modification or waiver of this Agreement shall be binding unless executed in writing by the Parties.

Section 17.2 **References and Rules of Construction**. All references in this Agreement to Exhibits, Schedules, Articles, Appendices, Sections and other subdivisions refer to the corresponding Exhibits, Schedules, Articles, Appendices, Sections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any such subdivisions are for convenience only and shall be disregarded in construing the language hereof. The words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Pronouns in masculine, feminine, and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context otherwise requires. Derivatives and other forms of the terms defined in this Agreement shall have meanings consistent with the definitions herein provided. The term "including" (or "included") shall be deemed to be followed by the phrase "but not limited to." Unless otherwise expressly provided herein, any reference herein to a "day" shall refer to a calendar day. All references to "$" or "dollars" shall be deemed references to United States dollars. The words "shall" and "will" are used interchangeably throughout this Agreement and shall accordingly be given the same meaning, regardless of which word is used.

Section 17.3 **Assignment**. This Agreement may not be assigned by Purchaser without the prior written consent of Seller. In the event that Seller consents to any such assignment, such assignment shall not relieve Purchaser of any of its obligations and responsibilities hereunder. Any assignment or other

transfer by Purchaser or its successors and assigns of any of the Assets shall not relieve Purchaser or its successors or assigns of any of their obligations (including indemnity obligations) hereunder, as to the Assets so assigned or transferred. Without limiting the foregoing, Purchaser may assign the right to receive any of the Assets at Closing to one or more of its Affiliates by providing written notice to Seller that (a) sets forth the name of the Affiliate(s) that is to receive the right to receive such Asset(s), (b) acknowledges that such Affiliate(s) assumes the obligations under this Agreement with respect to such Assets, and (c) Purchaser remains responsible under this Agreement with respect to such Asset(s).

Section 17.4 **Waiver**. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 17.5 **Conflict of Law Jurisdiction, Venue**. **THIS AGREEMENT AND THE LEGAL RELATIONS AMONG SELLER AND PURCHASER SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT WOULD REQUIRE THE APPLICATION OF ANY OTHER LAW. EACH OF SELLER AND PURCHASER CONSENT TO THE EXERCISE OF JURISDICTION IN PERSONAM BY THE COURTS OF THE STATE OF TEXAS FOR ANY ACTION ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. ALL ACTIONS OR PROCEEDINGS WITH RESPECT TO, ARISING DIRECTLY OR INDIRECTLY IN CONNECTION WITH, OUT OF, RELATED TO OR FROM THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS SHALL BE EXCLUSIVELY LITIGATED IN COURTS HAVING SITES IN HOUSTON, HARRIS COUNTY, TEXAS.**

Section 17.6 **Notices**. All notices and communications required or permitted to be given hereunder shall be in writing and shall be delivered personally, by email (provided that confirmation of receipt of such email is requested and received, which confirmation shall be provided reasonably promptly following receipt) or sent by bonded overnight courier, or mailed by U.S. Express Mail or by certified or registered United States Mail with all postage fully prepaid, addressed to Seller or Purchaser, as appropriate, at the address for such Person shown below or at such other address as Seller or Purchaser shall have theretofore designated by written notice delivered to the other Parties:

If to Seller:

XTO Energy Inc.
22777 Springwoods Village Parkway, Loc. 115
Spring, Texas 77389
Attention: Land Acquisition and Divestment Manager

With a copy to (which shall not constitute notice to Seller):

XTO Energy Inc.
22777 Springwoods Village Parkway, Loc. 119
Spring, Texas 77389
Attention: UOG Unconventional Divestment Manager

If to Purchaser:

BKV North Texas, LLC
BKV Midstream, LLC
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Mr. Christopher Kalnin, CEO
Email: [***]

With a copy to (which shall not constitute notice to Purchaser):

BKV North Texas, LLC
BKV Midstream, LLC
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: General Counsel
Email: [***]

Any notice given in accordance herewith shall be deemed to have been given been given as of the date of receipt by the intended Party.

Section 17.7 **Timing**. Timing is of the essence for performance of the Parties' respective obligations hereunder; provided that if the date specified in this Agreement for giving any notice or taking any action under this Agreement is not a Business Day (or if the period during which any notice is required to be given or any action taken expires on a date which is not a Business Day), then the date for giving such notice or taking such action (or the expiration date of such period during which notice is required to be given or action taken) shall be the next day which is a Business Day.

Section 17.8 **Confidentiality**. Any information concerning the Assets (including any information discovered as a result of Purchaser's Environmental Assessment) or any aspect of the transactions contemplated by this Agreement shall be subject to the terms of the Confidentiality Agreement. This obligation shall terminate on the earlier to occur of (a) the Closing, or (b) such time as the information and data in question becomes generally available to the oil and gas

industry other than through the breach these obligations by Purchaser or its officers, employees or representatives.

Section 17.9 **Publicity**. Neither Seller nor Purchaser shall issue any media or other similar releases concerning this Agreement and the transactions contemplated hereby without the prior written consent of the other Party, except as required to be issued by a Party pursuant to applicable Law including the applicable rules or regulations of any governmental authority or stock exchange; provided that, to the extent any disclosure is required by applicable Law or stock exchange rule, the Party intending to make such disclosure shall first consult with the other Party with respect to the content thereof.

Section 17.10 **Use of Seller's Names**. Purchaser agrees that, as soon as practicable after the Closing, but in no event longer than sixty (60) days after Closing, it will remove or cause to be removed the names and marks used by Seller and all variations and derivatives thereof and logos relating thereto from the Assets and Purchaser will not make any use whatsoever of such names, marks and logos.

Section 17.11 **Severability**. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the contemplated transactions is not affected in any material adverse manner to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the contemplated transactions are fulfilled to the extent possible.

Section 17.12 **Parties in Interest**. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any Person other than Seller and Purchaser and their respective successors and permitted assigns, or the Parties' respective related Indemnified Parties hereunder, any rights, remedies, obligations or liabilities under or by reason of this Agreement, provided that only a Party and its respective successors and permitted assigns will have the right to enforce the provisions of this Agreement on its own behalf or on behalf of any of its related Indemnified Parties.

Section 17.13 **Amendment of Schedules; Disclosure**. Purchaser agrees that, with respect to the representations and warranties of Seller contained in this Agreement, Seller shall have the continuing right until six (6) Business Days prior to Closing to add, supplement or amend the Schedules to its representations and warranties with respect to any matter hereafter arising or discovered which, if existing or known at the Execution Date or thereafter, would have been required to be set forth or described in such Schedules. For purposes of determining whether the conditions set forth in Article VIII have been fulfilled, the Schedules to Seller's representations and warranties contained in this Agreement shall be deemed to include only that information contained therein on the Execution Date and shall be deemed to exclude all information contained in any addition, supplement or amendment thereto; provided, however, that if the Closing shall occur, then all matters disclosed pursuant to any such addition, supplement or amendment at or prior to the Closing shall be waived and Purchaser shall not be entitled to make a claim with respect thereto pursuant to the terms of this Agreement or otherwise. Matters reflected in any disclosure with respect to a Section of this Agreement are not necessarily limited to matters required by this Agreement to be so reflected. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. In no event shall the listing of items or matters in a Schedule be deemed or interpreted to broaden, or otherwise expand the scope of, the representations and warranties or covenants and agreements contained in this Agreement.

Section 17.14 **Conspicuousness. PURCHASER ACKNOWLEDGES THAT THE PROVISIONS OF THIS AGREEMENT THAT ARE PRINTED IN THE SAME MANNER AS THIS SECTION ARE CONSPICUOUS.**

Section 17.15 **Execution in Counterparts**. This Agreement may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute for all purposes one agreement. Facsimiles or other electronic copies (e.g., PDFs) of executed counterparts shall be deemed to be original instruments.

Section 17.16 **Exclusivity**. From and after the Execution Date until the earlier to occur of the Closing or June 1, 2022, and only to the extent Purchaser is diligently performing all obligations, agreements, and covenants to consummate the transaction provided for herein in accordance with terms hereof, Seller shall not (a) enter into any agreement (binding or nonbinding) or negotiate with any Person (other than Purchaser) with respect to any transaction related to the sale (whether by merger, stock or asset sale or any other similar acquisition, consolidation or combination of any of the foregoing, other than, for purposes of clarity, any such transaction resulting in a change of control of Seller's ultimate parent entity) of any of the Assets (other than as permitted by Section 7.1(b)(iii)) or (b) assist or encourage any effort or attempt by any Person (other than Purchaser) to attempt to do or seek to do any of the foregoing. Notwithstanding the foregoing sentence of this Section 17.16, Seller and its representatives shall have the limited right to state in response to third party inquiries about the Assets that Seller is subject to the terms and conditions of a purchase and sale agreement with respect to the Assets.

EXECUTION VERSION

IN WITNESS WHEREOF, Purchaser and Seller have executed and delivered this Agreement effective as of the Effective Time.

SELLER:

XTO ENERGY INC.

By: /s/ Phyllis Hinze
Phyllis Hinze

XTO ENERGY INC., on behalf of BARNETT GATHERING, LLC

By: /s/ Phyllis Hinze
Phyllis Hinze

PURCHASER:

BKV NORTH TEXAS, LLC

By: /s/ Christopher Kalnin
Christopher Kalnin
CEO

BKV MIDSTREAM, LLC

By: /s/ Christopher Kalnin
Christopher Kalnin
CEO

Solely with respect to Sections 3.4, 3.5, 11.1,11.2, 11.4, 11.7, 17.1, 17.2, 17.3, 17.4, 17.5, 17.11, 17.14, and 17.15 of this Agreement:

BKV CORPORATION

By: /s/ Christopher Kalnin
Christopher Kalnin
CEO

Appendix A
Defined Terms

Capitalized terms used in this Agreement have the following meanings:

"**2023 Henry Hub Price**" has the meaning set forth in Section 3.5(a).

"**2023 Henry Hub Threshold**" has the meaning set forth in Section 3.5(a).

"**2024 Henry Hub Price**" has the meaning set forth in Section 3.5(b).

"**2024 Henry Hub Threshold**" has the meaning set forth in Section 3.5(b).

"**Adjusted Purchase Price**" has the meaning set forth in Section 3.4.

"**AFE**" has the meaning set forth in Section 5.10.

"**Affiliate**" means with respect to any Person, a Person that, directly or indirectly, through one or more entities, controls, is controlled by or is under common control with the Person specified. For the purpose of the immediately preceding sentence, the term "**control**" and its syntactical variants mean the power, direct or indirect, to direct or cause the direction of the management of such Person, whether through the ownership of voting securities, by contract, agency or otherwise.

"**Aggregate Environmental Defect Deductible**" has the meaning set forth in Section 4.12.

"**Aggregate Title Defect Deductible**" has the meaning set forth in Section 4.6.

"**Agreed Accounting Firm**" means KPMG, LLC, or if KPMG, LLC does not agree to serve as the Agreed Accounting Firm, then such other nationally-recognized independent accounting firm as mutually agreed to by Purchaser and Seller; provided that if the Parties cannot so agree within fourteen (14) days following the notification by KPMG, LLC that it does not agree to serve as the Agreed Accounting Firm, then either Party can request that the Houston, Texas office of the American Arbitration Association appoint such Agreed Accounting Firm.

"**Agreement**" has the meaning set forth in the Preamble.

"**Allocated Value**" has the meaning set forth in Section 3.1.

"**Asset Taxes**" means all Property Taxes and all Severance Taxes.

"**Assets**" has the meaning set forth in Section 2.2.

"**Assigned Surface**" has the meaning set forth in Section 2.2(f).

"**Assignment**" shall mean the Assignment and Bill of Sale from Seller to Purchaser pertaining to the Assets and substantially in the form of Exhibit E.

"**Assumed Obligations**" has the meaning set forth in Section 11.1.

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks in Texas are generally open for business.

"**Captives**" has the meaning set forth in Section 11.12.

"**Casualty Loss**" means an event where any of the Assets are (a) taken in condemnation or under the right of eminent domain, or (b) damaged or destroyed by fire or other casualty or act of God.

"**Claim Notice**" has the meaning set forth in Section 11.7.

"**Closing**" has the meaning set forth in Section 10.1.

"**Closing Date**" means the date upon which Closing occurs (or should occur assuming the conditions to Closing have been satisfied or waived by the applicable Party).

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated as of November 18, 2021, among Seller and Purchaser.

"**Credit Support**" has the meaning set forth in Section 5.18.

"**Customary Post-Closing Consents**" means those consents and approvals from governmental authorities for the assignment of the Assets to Purchaser that are customarily obtained after such assignment of properties similar to the Assets.

"**Defect Notice Date**" has the meaning set forth in Section 4.3.

"**Defensible Title**" shall mean such title of Seller to the Wells that, as of the Effective Time and immediately prior to the Closing and subject to Permitted Encumbrances:

(a) with respect to the currently producing formation for a Well, entitles Seller to receive during the entirety of the productive life of such Well not less than the Net Revenue Interest for such Well as set forth in Exhibit B, except for (i) decreases in connection with those operations in which Seller or its successors or assigns may from and after the Execution Date be a non-consenting co-owner, (ii) decreases resulting from the establishment or amendment from and after the Execution Date of pools or units, (iii) decreases required to allow other Working Interest owners to make up past underproduction or pipelines to make up past under deliveries, and (iv) as otherwise expressly set forth in Exhibit B;

(b) with respect to the currently producing formation for a Well, obligates Seller to bear during the entirety of the productive life of such Well not more than the Working Interest for such Well as set forth in Exhibit B, except (i) increases resulting from contribution requirements with respect to defaulting co-owners under applicable operating agreements, (ii) increases to the extent that they are accompanied by a proportionate increase in Seller's Net Revenue Interest in such Well, (iii) increases resulting from the establishment or amendment from and after the Execution Date of pools or units, and (iv) as otherwise expressly set forth in Exhibit B; and

(c) is free and clear of all Encumbrances.

"**Deposit**" means an amount equal to ten percent (10%) of the Purchase Price.

"**Dispute Notice**" has the meaning set forth in Section 12.1(a).

"**Effective Time**" means 12:00:01 a.m. (Houston time) on February 1, 2022.

"**Employee List**" has the meaning set forth in Section 16.1.

"**Employees**" has the meaning set forth in Section 16.1.

"**Encumbrance**" means any lien, security interest, pledge, charge, defect or similar encumbrance.

"**Environmental Defect**" means a condition with respect to the air, land, soil, surface, subsurface strata, surface water, ground water or sediments that (a) constitutes a violation of Environmental Laws in effect as of the Effective Time in the jurisdiction to which the affected Assets are subject, or (b) constitutes a physical condition that requires, if known, or will require, once sufficiently discovered, reporting to a governmental authority, investigation, monitoring, removal, cleanup, remediation, restoration or correction under Environmental Laws. For the avoidance of doubt, (i) the fact that a Well is no longer capable of producing sufficient quantities of oil or gas to continue to be classified as a "producing well" or that such a Well should be temporarily abandoned or permanently plugged and abandoned shall not, in each case, form the basis of an Environmental Defect, (ii) the fact that a pipe is temporarily not in use shall not form the basis of an Environmental Defect, and (iii) except with respect to equipment (A) that causes or has caused any environmental pollution, contamination or degradation where Remediation is presently required (or if known or confirmed, would be presently required) under Environmental Laws or (B) the use or condition of which is a violation of Environmental Law in effect as of the Effective Time, the physical condition of any surface or subsurface production equipment, including water or oil tanks, separators or other ancillary equipment, shall not form the basis of an Environmental Defect.

"**Environmental Defect Notice**" has the meaning set forth in Section 4.10.

"**Environmental Defect Property**" has the meaning set forth in Section 4.10.

"**Environmental Law**" means any Laws pertaining to safety, health or conservation or protection of the environment, wildlife, or natural resources in effect in any and all jurisdictions in which the Assets are located, including the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended,

the Safe Drinking Water Act, as amended, the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("**CERCLA**"), the Superfund Amendments and Reauthorization Act of 1986, as amended, the Resource Conservation and Recovery Act, as amended ("**RCRA**"), the Hazardous and Solid Waste Amendments Act of 1984, as amended, the Toxic Substances Control Act, as amended, the Occupational Safety and Health Act, as amended, and any applicable state, tribal, or local counterparts, but shall not include any applicable Law associated with plugging and abandonment of any well. The terms "hazardous substance", "release", and "threatened release" shall have the meanings specified in CERCLA; provided, however, that to the extent the Laws of the state in which the Assets are located are applicable and have established a meaning for "hazardous substance", "release", "threatened release", "solid waste", "hazardous waste", and "disposal" that is broader than that specified in CERCLA or RCRA, such broader meaning shall apply with respect to the matters covered by such Laws..

"**Excluded Assets**" has the meaning set forth in Section 2.3.

"**Execution Date**" has the meaning set forth in the Preamble.

"**Existing Contracts**" means, except for any Excluded Asset, all contracts, agreements and instruments by which any of the Leases, Wells or other Assets are bound, or to which any of the Leases, Wells or other Assets are subject (but in each case only to the extent applicable to such Leases, Wells or other Assets and not to other properties of Seller or its Affiliates not included in the Assets), including operating agreements, unitization, pooling and communitization agreements, declarations and orders, joint venture agreements, farmin and farmout agreements, water rights agreements, exploration agreements, area of mutual interest agreements, participation agreements, exchange agreements, transportation or gathering agreements, agreements for the sale and purchase of Hydrocarbons and processing agreements; provided, that "Existing Contracts" shall exclude (a) any master service agreements, blanket agreements and similar contracts, (b) all of the instruments constituting the Leases, Rights-of-Way or creating or assigning any real property interest, and (c) any Existing Contract between Seller and any Affiliates of Seller (including any Existing Contract between the entities comprising Seller, except for those certain inter-affiliate agreements identified in Schedule 1.1(b)); provided, such Existing Contract is not binding on Purchaser from and after Closing and is released of record, if applicable, prior to Closing.

"**ExxonMobil Policies**" has the meaning set forth in Section 11.12.

"**Final Payment Date**" has the meaning set forth in Section 12.1(a).

"**Final Price**" has the meaning set forth in Section 12.1(a).

"**Final Settlement Date**" has the meaning set forth in Section 12.1(a).

"**Final Settlement Statement**" has the meaning set forth in Section 12.1(a).

"**First Contingent Payment**" has the meaning set forth in Section 3.5(a).

"**GAAP**" means generally accepted accounting principles in the United States, consistently applied.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"**Hydrocarbons**" means all oil and gas and all other hydrocarbons produced or processed in association therewith.

"**Imbalance**" means any Pipeline Imbalance or Well Imbalance.

"**Indemnity Deductible**" has the meaning set forth in Section 11.5(a).

"**Individual Environmental Defect Threshold**" has the meaning set forth in Section 4.12.

"**Individual Title Defect Threshold**" has the meaning set forth in Section 4.6.

"**Indemnified Party**" has the meaning set forth in Section 11.7.

"**Indemnifying Party**" has the meaning set forth in Section 11.7.

"**Interim Period**" means the period from and after the Execution Date up until the Closing.

"**Knowledge**" or "**Seller's Knowledge**" means with respect to Seller, the actual knowledge (without investigation) of the Persons set forth on Schedule 1.1(a).

"**Law**" means any applicable law, statute, regulation, ordinance, order, code, ruling, writ, injunction, decree or other act of or by any governmental authority (including any administrative, executive, judicial, legislative, regulatory or taxing authority).

"**Leases**" has the meaning set forth in Section 2.2(a).

"**Longstop Date**" has the meaning set forth in Section 10.1.

"**Losses**" means any and all claims, causes of action, proceedings, hearings, payments, charges, judgments, injunctions, orders, decrees, assessments, liabilities, losses, damages, penalties, fines, obligations, deficiencies, debts or costs and expenses, including any attorneys' fees, legal or other expenses incurred in connection therewith and including liabilities, costs, losses and damages for personal injury or death or property damage or environmental damage or Remediation.

"**Material Adverse Effect**" means with respect to Seller, any event, result, occurrence, condition or circumstance that, individually or in the aggregate (whether foreseeable or not and whether covered by insurance or not), results in a material adverse effect on the (a) ownership or operation of the Assets and as currently operated as of the Execution Date, or (b) ability of any Seller to consummate the transactions contemplated by this Agreement and perform its obligations hereunder; provided, however, that a Material Adverse Effect shall not include any material adverse effects resulting from: (i) entering into this Agreement or the announcement of the transactions contemplated by this Agreement; (ii) changes in general market, economic, financial or political conditions (including changes in commodity prices (including Hydrocarbons), fuel supply or transportation markets, interest or rates) in the area in which the Assets are located, the United States or worldwide; (iii) conditions (or changes in such conditions) generally affecting the oil and gas and/or gathering, processing or transportation industry whether as a whole or specifically in any area or areas where the Assets are located; (iv) acts of God, including storms or meteorological events; (v) orders, actions or failures to act of governmental authorities; (vi) civil unrest or similar disorder, the outbreak of hostilities, terrorist acts or war; (vii) any actions taken or omitted to be taken (A) by or at the written request or with the prior written consent of Purchaser or (B) as expressly permitted or prescribed hereunder; (viii) matters that are cured or no longer exist by the earlier of the Closing and the termination of this Agreement; (ix) any Casualty Loss; (x) a change in Laws or in GAAP interpretation from and after the Execution Date; (xi) reclassification or recalculation of reserves in the ordinary course of business; and (xii) natural declines in well performance.

"**Material Contracts**" has the meaning set forth in Section 5.13(a).

"**Mineral Interests**" has the meaning set forth in Section 2.2(c).

"**Midstream Assets**" means the gathering and transportation system that is part of the Assets, including Rights-of-Way.

"**Near Retirement Eligible Employees**" has the meaning set forth in Section 16.2.

"**Net Revenue Interest**" means with respect to any Well, the interest in and to all Hydrocarbons produced, saved and sold from or allocated to such Well, after giving effect to all royalties, overriding royalties, production payments, carried interests, net profits interests, reversionary interests and other burdens upon, measured by or payable out of production therefrom.

"**NORM**" means naturally occurring radioactive material.

"**Parties**" and "**Party**" has the meaning set forth in the Preamble.

"**Performance Bond**" has the meaning set forth in Section 7.4.

"**Permit**" means all permits, licenses, authorizations, registrations, consents or approvals (in each case) granted or issued by any governmental authority.

"**Permitted Encumbrances**" means with respect to any Asset, any of the following:

(a) the terms and conditions of all Leases and all lessor's royalties, non-participating royalties, overriding royalties, reversionary interests and similar burdens upon, measured by or payable out of production if the net cumulative effect of such Leases and burdens does not operate to reduce the Net Revenue Interest of Seller in any Well below the Net Revenue Interest as set forth in Exhibit B (as to the applicable formation) for such Well and does not operate to increase the Working Interest of Seller in such Well (as to the applicable formation) above the Working Interest for such Well as set forth in Exhibit B (as to the applicable formation) for such Well (unless the Net Revenue Interest for such Well is greater than the Net Revenue Interest for such Well as set forth in Exhibit B in the same proportion as any increase in such Working Interest);

(b) Preferential Rights and consents (including Required Consents) to assignment and similar transfer restrictions or requirements;

(c) liens for taxes or assessments not yet delinquent or, if delinquent, that are being contested in good faith in the normal course of business;

(d) materialman's, mechanic's, repairman's, employee's, contractor's, operator's, and other similar liens or charges arising in the ordinary course of business (i) if they have not been filed pursuant to Law, or (ii) if filed, they have not yet become due and payable;

(e) the loss of lease acreage between the Effective Time and Closing because the lease term expires;

(f) Customary Post-Closing Consents and any required notices to, or filings with, governmental authorities in connection with the consummation of the transactions contemplated by this Agreement;

(g) rights of reassignment arising upon final intention to abandon or release the Assets, or any of them;

(h) the Rights-of-Way and, to the extent that they do not materially interfere with the operation of the Assets (as currently operated), all other easements, rights-of-way, servitudes, Permits, surface leases and other rights relating to surface operations. facilities, pipelines, transmission lines, transportation lines, distribution lines and other like purposes;

(i) all other charges, encumbrances, contracts, agreements, instruments, obligations, defects and irregularities affecting the Assets which individually or in the aggregate are not such as to materially interfere with the operation of any of the Assets (as currently operated), do not reduce the Net Revenue Interest of Seller in any Well below the Net Revenue Interest set forth on Exhibit B (as to the applicable formation) for such Well, and do not increase the Working Interest of Seller in such Well (as to the applicable formation) above the Working Interest set forth in Exhibit B (as to the applicable formation) for such Well (unless the Net Revenue Interest for such Well is greater than the Net Revenue Interest for such Well as set forth in Exhibit B in the same proportion as any increase in such Working Interest);

(j) all rights reserved to or vested in any governmental authority to control or regulate any of the Assets in any manner, and all applicable Permits and Laws;

(k) rights of a common owner of any interest in Rights-of-Way or Permits held by Seller and such common owner as tenants in common or through common ownership;

(l) liens created under Leases or Rights-of-Way included in the Assets and/or operating agreements or production sales contracts or by operation of Law in respect of obligations that are not yet due or delinquent or, if delinquent, which are being contested in good faith by appropriate procedures by or on behalf of Seller;

(m) any Encumbrance affecting the Assets that is discharged by Seller at or prior to Closing;

(n) any Title Defects that Purchaser may have expressly waived in writing or which are deemed to have been waived under Section 4.4, or that do not meet the Individual Title Defect Threshold or Aggregate Title Defect Deductible as set forth in Section 4.6;

(o) the terms and conditions of the Existing Contracts to the extent that they do not, individually or in the aggregate to (i) reduce the Net Revenue Interest of Seller in any Well below the Net Revenue Interest as set forth in Exhibit B (as to the applicable formation) for such Well, (ii) does not operate to increase the Working Interest of Seller in such Well (as to the applicable formation) above the Working Interest for such Well as set forth in Exhibit B (as to the applicable formation) for such Well (unless the Net Revenue Interest for such Well is greater than the Net Revenue Interest for such Well as set forth in Exhibit B in the same proportion as any increase in such Working Interest) or (iii) impair in any material respect the prudent or current ownership and/or operation of any of the Assets by Seller (or by Purchaser as Seller's successor-in-interest from and after Closing);

(p) the terms and conditions of this Agreement;

(q) all Imbalances;

(r) the litigation, suits and proceedings set forth in Schedule 5.9; and

(s) any matter that would not constitute a Title Defect under the terms of this Agreement.

"**Person**" means an individual, corporation, partnership, association, trust, limited liability company or any other entity or organization, including government or political subdivisions or an agency, unit or instrumentality thereof.

"**Pipeline Imbalance**" means any marketing imbalance between the quantity of Hydrocarbons attributable to the Assets required to be delivered by any Seller under any contract or Law relating to the purchase and sale, gathering, transportation, storage, processing or marketing of such Hydrocarbons and the quantity of Hydrocarbons attributable to the Assets actually delivered by Seller pursuant to the relevant contract or at Law, together with any appurtenant rights and obligations concerning production balancing at the delivery point into the relevant sale, gathering, transportation, storage or processing facility.

"**Plugging and Abandonment Obligations**" has the meaning set forth in Section 11.1(b).

"**Preferential Rights**" has the meaning set forth in Section 4.8.

"**Preliminary Settlement Statement**" has the meaning set forth in Section 10.2.

"**Property Expenses**" means all operating expenses (including Property Taxes and all insurance premiums or any other costs of insurance attributable to Seller's and/or its Affiliates' insurance and to coverage periods from and after the Effective Time but excluding in all cases, all costs and expenses of bonds, letters of credit or other surety instruments) and all capital expenditures (in each case) incurred in the ownership and operation of the Assets in the ordinary course of business and, where applicable, in accordance with the relevant operating or unit agreement, if any, and overhead costs charged to the Assets under the relevant operating agreement or unit agreement, if any, or otherwise allocable to the Assets, but excluding all Losses attributable to (i) personal injury or death, property damage or violation of any Law, (ii) Plugging and Abandonment Obligations, (iii) the Remediation of any environmental condition under applicable Environmental Laws, (iv) obligations with respect to Imbalances, or (v) obligations to pay Working Interest owners, royalties, overriding royalties or other interest owners revenues or proceeds attributable to sales of Hydrocarbons relating to the Assets, including those held in suspense.

"**Property Taxes**" means all ad valorem taxes, real property taxes, personal property taxes, and similar obligations relating to the Assets.

"**Purchase Price**" has the meaning set forth in Section 3.1.

"**Purchaser**" has the meaning set forth in the Preamble.

"**Purchaser Group**" means Purchaser and its Affiliates and each of their respective officers, directors, employees, agents and representatives.

"**Purchaser's Environmental Assessment**" has the meaning set forth in Section 4.9.

"**Records**" has the meaning set forth in Section 12.4(a).

"**Remediation**" means with respect to an environmental condition or Environmental Defect, the response required or allowed under Environmental Laws that completely addresses (for current and future use in the same manner as being currently used) the identified environmental condition or Environmental Defect at the lowest cost (considered as a whole) as compared to any other response that is required or allowed under Environmental Laws. "Remediation" may consist of or include taking no action, leaving the condition unaddressed, periodic monitoring, the use of institutional controls or the recording of notices in lieu of remediation, in each case, if such response is allowed under Environmental Laws and completely addresses and resolves (for current and future use in the same manner as being currently used) the identified environmental condition or Environmental Defect.

"**Remediation Amount**" means with respect to an Environmental Defect, the present value as of the Closing Date of the cost (net to Seller's interest) of the Remediation of such defect; provided, however, that "Remediation Amount" shall not include (a) the costs of Purchaser's and/or its Affiliate's employees, or, if Seller is conducting the Remediation, Purchaser's project manager(s) or attorneys, (b) expenses for matters that are ordinary costs of doing business regardless of the presence of an environmental condition (e.g., those costs that would ordinarily be incurred in the day-to-day operations of the Assets or in connection with Permit renewal/amendment activities), (c) overhead costs of Purchaser and/or its Affiliates, (d) costs and expenses that would not have been required under Environmental Laws as they exist on the Closing Date or, if prior to the Closing Date, the date on which the Remediation action is being undertaken, or (e) any costs or expenses relating to the assessment, remediation, removal, abatement, transportation and disposal of any asbestos, asbestos-containing materials or NORM unless required to address a violation of Environmental Law. Notwithstanding anything to the contrary in this Agreement, the aggregate Remediation Amounts attributable to the effects of all Environmental Defects upon any Environmental Defect Property shall not exceed the Allocated Value of such Environmental Defect Property.

"**Required Consent**" means any consent for which the failure to obtain such consent (or waiver in writing by the holder thereof) would cause (a) the assignment, conveyance or transfer of the Assets affected thereby to Purchaser to be void, voidable, invalid, unenforceable and/or nullified; or (b) the termination of or right to terminate any Lease or an Existing Contract, in each case, under the express terms of the underlying Lease or Existing Contract containing such consent.

"**Rights-of-Way**" means, except for any Excluded Asset, all permits, licenses, servitudes, easements, fee surface, surface leases, surface use agreements and rights-of-way primarily used or held for use in connection with the ownership or operation of the Assets, other than Permits.

"Sale Area" means all assets and rights of Seller that are located within the red outline identified on Exhibit C, containing all of Bosque, Dallas, Denton, Ellis, Erath, Hill, Hood, Jack, Johnson, Montague, Palo Pinto, Parker, Somervell, Tarrant, Wise, and a portion of Cooke County, Texas.

"**Scheduled Closing Date**" has the meaning set forth in Section 10.1.

"**Second Contingent Payment**" has the meaning set forth in Section 3.5(b).

"**Seller**" has the meaning set forth in the Preamble.

"**Seller Group**" means Seller and its Affiliates and each of their respective directors, officers, employees, agents and representatives.

"**Severance Taxes**" means all severance, production or other taxes measured by hydrocarbon production from the Assets, or the receipt of proceeds therefrom.

"**Surface Fee Deed**" shall mean the Surface Fee Deed from Seller to Purchaser pertaining to the Assigned Surface and substantially in the form of Exhibit K.

"**Suspense Funds**" has the meaning set forth in Section 12.2.

"**Target Settlement Date"** has the meaning set forth in Section 12.1(a).

"**Title Benefit**" has the meaning set forth in Section 4.7.

"**Title Benefit Amount**" has the meaning set forth in Section 4.7.

"**Title Defect**" means any Encumbrance, defect or other matter that causes Seller not to have Defensible Title; provided that the following shall not be considered Title Defects:

(a) defects arising out of lack of corporate or other entity authorization or defects consisting of the failure to recite marital status in a document or omissions of successions of heirship or estate proceedings, (in each case) unless Purchaser provides affirmative evidence that such corporate or other entity

action was not authorized and has resulted, or such failure or omission (in either case) has resulted, in another Person's superior claim of title to the relevant Asset;

(b) defects based on a gap in Seller's chain of title in the applicable county records, unless such gap is affirmatively shown to exist in such records by an abstract of title, title opinion or landman's title chain or run sheet which documents shall be included in a Title Defect Notice and has resulted in another Person's superior claim of title to the relevant Asset;

(c) defects based upon the failure to record any federal, state or tribal Lease or Right-of-Way included in the Assets, or any assignments of interests in such Leases or Rights-of-Way included in the Assets, in the applicable county records, unless such failure has resulted in another Person's superior claim of title to the relevant Asset;

(d) defects arising from any prior oil and gas lease relating to the lands covered by the Leases or Units not being surrendered of record, unless Purchaser provides affirmative evidence that such prior oil and gas lease is still in effect and has resulted in another Person's actual and superior claim of title to the relevant Lease or Well;

(e) defects that affect only which Person has the right to receive payments of royalties or other burdens on production and that do not affect the validity of the underlying Lease (subject to Purchaser's right to indemnity under Section 11.3(c));

(f) defects based solely on: (i) lack of information in Seller's files, (ii) references to an unrecorded document to which neither Seller nor any Affiliate of Seller is a party and which document is dated earlier than January 1, 1960; or (iii) any tax assessment, tax payment or similar records or the absence of such activities or records;

(g) any Encumbrance or loss of title resulting from Seller's conduct of business in compliance with this Agreement;

(h) defects as a consequence of cessation of production, insufficient production or failure to conduct operations during any period after the completion of a well capable of production in paying quantities on any of the Leases held by production, or lands pooled or unitized therewith, except to the extent a claims is pending with respect thereto or the cessation of production is affirmatively shown to have occurred within the past seven years and it will give rise to a right of the lessor or other third party to terminate the underlying Lease, which documentation shall be provided by Purchaser to Seller in a Title Defect Notice;

(i) Encumbrances created under deeds of trust, mortgages and similar instruments by the lessor under a Lease covering the lessor's interests in the land covered thereby that would customarily be accepted in taking or purchasing such Leases and for which a reasonably prudent lessee would not customarily seek a subordination of such Encumbrance to the oil and gas leasehold estate prior to conducting drilling activities on the Lease;

(j) all defects or irregularities that have been cured or remedied by applicable statutes of limitation or statutes of prescription;

(k) all defects or irregularities resulting from lack of survey unless such survey is required by applicable Law;

(l) all defects or irregularities resulting from the failure to record releases of liens, production payments or mortgages that have expired on their own terms or the enforcement of which are barred by applicable statute of limitations;

(m) Encumbrances created under deeds of trust, mortgages and similar instruments by the grantor under a Right-of-Way that would customarily be accepted by a reasonably prudent oil and gas operator or reasonably prudent pipeline owner in taking or purchasing such Rights-of-Way;

(n) defects arising as a result of actions taken by Purchaser or Purchaser's failure to consent to any action pursuant to Section 7.1 below;

(o) defects arising as a result of a change in applicable Law after the Effective Time; and

(p) any Encumbrance or loss of title affecting ownership interests in formations other than the currently producing formation for the affected Well.

"**Third Party Claim**" has the meaning set forth in Section 11.7.

"**Title Defect Amount**" has the meaning set forth in Section 4.5.

"**Title Defect Notice**" has the meaning set forth in Section 4.3.

"**Title Defect Property**" has the meaning set forth in Section 4.3.

"**Total Purchase Price**" has the meaning set forth in Section 3.1.

"**Transaction Documents**" means those documents executed and delivered pursuant to or in connection with this Agreement.

"Transferred Vehicles" shall mean (i) those certain vehicles (or vehicle leases, to the extent permitted to be transferred by the applicable vehicle leasing company) that are directly associated with the transferred Employees and (ii) any other vehicles that Seller and Purchaser mutually agree shall be

transferred from Seller to Purchaser.

"Transition Services Agreement" has the meaning set forth in Section 10.4(j).

"**Units**" has the meaning set forth in Section 2.2(d).

"**Wells**" has the meaning set forth in Section 2.2(b).

"**Well Imbalance**" means any imbalance at the wellhead between the amount of Hydrocarbons produced from a Well and allocable to the interests of Seller therein and the shares of production from the relevant Well to which Seller is entitled, together with any appurtenant rights and obligations concerning future in kind and/or cash balancing at the wellhead.

"**Willful Breach**" means with respect to any Party, such Party knowingly and intentionally breaches in any material respect (by refusing to perform or taking an action prohibited) any material covenant applicable to such Party.

"**Working Interest**" means with respect to any Well, the interest in and to such Well that is burdened with the obligation to bear and pay costs and expenses of maintenance, development and operations on or in connection with such Well, but without regard to the effect of any royalties, overriding royalties, production payments, net profits interests and other similar burdens upon, measured by or payable out of production therefrom.

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

BKV CORPORATION

EFFECTIVE AS OF DECEMBER 15, 2020

BKV Corporation, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**DGCL**"), hereby certifies as follows:

1. The name of this corporation is BKV Corporation, and that this corporation was originally incorporated pursuant to the DGCL on May 1, 2020.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows (this " **Certificate of Incorporation**"):

FIRST: The name of the corporation is BKV Corporation (the " **Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808. The name of the registered agent of the Corporation at such address is Corporation Service Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

FOURTH: The total number of shares of all classes of stock which the Corporation is authorized to issue is 380,000,000, consisting of (i)300,000,000 shares of Common Stock, $0.01 par value per share (the "**Common Stock**"), and (ii)80,000,000 shares of Preferred Stock, $10.00 par value per share (the "**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, limitations, powers and preferences set forth in this Certificate of Incorporation, any Preferred Stock Designation (as defined below) and the Investor Rights Agreement (as defined below).

---

2. Voting. The holders of the Common Stock are entitled to one (1)vote for each share of Common Stock held of record by such holders on all matters on which stockholders generally are entitled to vote; provided, however, that, except as otherwise required by law, this Certificate of Incorporation or pursuant to any Preferred Stock Designation, holders of Common Stock, as such, shall not be entitled to vote on any amendment to (i)the Certificate of Incorporation or any amendment to any Preferred Stock Designation that relates solely to the terms of one or more outstanding series of Preferred Stock, if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation, any Preferred Stock Designation or the DGCL or (ii) the Investor Rights Agreement.

B. PREFERRED STOCK

1. General. Subject to the to the terms of the Certificate of Incorporation, any Preferred Stock Designation and the Investor Rights Agreement, shares of Preferred Stock may be issued in one or more series from time to time, with each such series to consist of such number of shares and to have such par value, voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated in the resolution or resolutions providing for the issuance of such series adopted by the Board of Directors of the Corporation (the" **Board of Directors**") and included in a certificate of designations (any such certificate, and including the SeriesA Preferred Stock Designation (as defined below), a "**Preferred Stock Designation**") filed pursuant to the DGCL, and the Board of Directors is hereby expressly vested with the authority, to the full extent now or hereafter provided by law, to adopt any such resolution or resolutions.

2. Series A Preferred Stock; Issuance of New Preferred Stock Upon Conversion . 9,900,000 shares of the authorized and unissued Preferred Stock of the Corporation, $10.00 par value per share, are hereby designated "**SeriesA Preferred Stock** ." The relative rights, preferences and limitations of such SeriesA Preferred Stock shall be as set forth in the Certificate of Designations of the SeriesA Preferred Stock, dated as December15, 2020 (the " **Series A Preferred Stock Designation**"). In accordance with the SeriesA Preferred Stock Designation, the Corporation shall at all times be authorized to issue to the holders of the SeriesA Preferred Stock and shall reserve for issuance, as a new series of Preferred Stock (the " **SeriesA Conversion Preferred** "), the number of shares of Preferred Stock that such holders are entitled to receive upon the exercise of the Holder Conversion Right (as defined in the SeriesA Preferred

Stock Designation), which new series of Preferred Stock shall have the relative rights, preferences and limitations as described in Section7 of the SeriesA Preferred Stock Designation.

FIFTH: Unless and except to the extent that the bylaws of the Corporation (the " **Bylaws**") shall so require, the election of directors of the Corporation need not be by written ballot.

SIXTH: Subject to any additional vote, consent or approval required by this Certificate of Incorporation, any Preferred Stock Designation, the Investor Rights Agreement or the Bylaws, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: To the fullest extent permitted by law and except in the case of fraud or willful misconduct, a director of the Corporation shall not be personally liable to the Corporation or to its stockholders for monetary damages for any breach of fiduciary duty as a director. If the DGCL or any other law of the State of Delaware is amended after approval of this seventh paragraph to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended. No amendment to, modification of or repeal of this seventh paragraph shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

EIGHTH: Subject to any additional vote, consent or approval required by the Certificate of Incorporation, any Preferred Stock Designation, the Investor Rights Agreement or the Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws or adopt new Bylaws without any action on the part of the stockholders; provided that subject to the foregoing votes, consents or approvals, any Bylaw adopted or amended by the Board of Directors, and any powers thereby conferred, may be amended, altered or repealed by the stockholders.

NINTH: The Corporation shall have the right, subject to any additional vote, consent or approval or express provisions or restrictions contained in the Certificate of Incorporation, any Preferred Stock Designation, the Investor Rights Agreement or the Bylaws, from time to time, to amend, alter or repeal any provision of the Certificate of Incorporation in any manner now or hereafter provided by law, and all rights and powers of any kind conferred upon a director or stockholder of the Corporation by the Certificate of Incorporation or any amendment thereof are conferred subject to such right.

TENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (i)any derivative action or proceeding brought on behalf of the Corporation, (ii)any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii)any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws or (iv)any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. If any provision or provisions of this tenth paragraph shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this tenth paragraph (including, without limitation, each portion of any sentence of this tenth paragraph containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ELEVENTH: Notwithstanding anything to the contrary, for so long as the Investor Rights Agreement, dated as of December 15, 2020, by and among the Corporation, OCM BKV Holdings, LLC, a Delaware limited liability company, Banpu North America Corporation, a Delaware corporation and each other person from time to time party thereto (as may be amended from time to time in accordance therewith, the "**Investor Rights Agreement**") is in effect, the provisions of the Investor Rights Agreement shall be incorporated by reference into the relevant provisions hereof (including the approvals required by Section4.04 of the Investor Rights Agreement for the authorization or taking by the Corporation or its subsidiaries of the actions specified therein), and all such provisions hereof shall be interpreted and applied in a manner consistent with the terms of the Investor Rights Agreement.

TWELFTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

THIRTEENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which the DGCL permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section145 of the DGCL. Any amendment, repeal or modification of the foregoing provisions of this thirteenth paragraph shall not (a)adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b)increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

FOURTEENTH: This Certificate of Incorporation shall be effective as of December 15, 2020.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the DGCL.

4. That this Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the DGCL.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 15th day of December, 2020.

By: /s/ Christopher Kalnin
Name: Christopher Kalnin
Title: Chief Executive Officer

Exhibit 3.2

BYLAWS

OF

BKV CORPORATION

TABLE OF CONTENTS

BYLAWS

OF

BKV CORPORATION (the "Corporation")

ARTICLE I - DEFINITIONS

In these by-laws (including Schedule 1 hereto) (the "**Bylaws**") in both the singular and plural forms, the following terms shall have the meanings ascribed to them herein below:

"**Additional Securities**" has the meaning set out in Section 5 of ARTICLE VI;

"**Advancement of Expenses**" has the meaning set out in Section 2 of ARTICLE IX;

"**Associated Person**" means, in relation to a person, any holding company or subsidiary of such person or any other subsidiary of any such holding company, from time to time. In this definition, a company is a "**subsidiary**" of another company (its "**holding company**") if that other company, directly or indirectly, through one or more subsidiaries: (a)holds a majority of the voting rights in it; (b)is stockholder or shareholder of it and has the right to appoint or remove a majority of its board of directors or equivalent managing body; (c)is stockholder or shareholder of it and controls alone, or pursuant to an agreement with other stockholders or members, a majority of the voting rights in it; or (d)has the right to exercise a dominant influence over it, for example by having the right to give directions with respect to its operating and financial policies, with which directions its directors are obliged to comply;

"**Audited Accounts**" means the auditor's report and audited accounts of the Corporation and of any Group Company and the audited consolidated accounts of the Group (if any) for the relevant Financial Year;

"**Auditors**" means PricewaterhouseCoopers LLP, or such other firm of independent certified public accountants which is appointed by the Board of Directors as auditor of the Corporation from time to time;

"**Audit Committee**" has the meaning set out in Section 3 of ARTICLE IV;

"**Banpu Group**" means Banpu Public Company Limited, a public limited company incorporated in and existing under the laws of Thailand, and all its Associated Persons from time to time;

"**BNAC**" means BANPU NORTH AMERICA CORPORATION, a corporation incorporated in and existing under the laws of Delaware, whose registered office is at Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, U.S.A.;

"**Board of Directors**" means the board of Directors of the Corporation;

"**Board Reserved Matters**" the matters set forth in Schedule 1 hereto;

"**Budget**" means the annual budget for the Group approved and/or amended from time to time by the Board of Directors;

"**Business Day**" means a day which is not a Saturday, a Sunday or a state or federal holiday in Colorado, the United States, and is not a Saturday, a Sunday or a public holiday in Bangkok, Thailand;

"**Business Plan**" means the rolling business plan for the Group updated annually in respect of the forthcoming five-year period setting out details of the Group's strategic planning in respect of market growth, capital expenditure, financing, tax, and contingency planning and compared against the applicable Budget, as approved and/or amended from time to time by the Board of Directors;

"**CEO**" means the chief executive officer of the Corporation from time to time;

"**Certificate of Incorporation**" means the certificate of incorporation of the Corporation;

"**CFO**" means the chief financial officer of the Corporation from time to time;

"**Chairman**" means the chairman of the Board of Directors from time to time;

"**Compensation Committee**" has the meaning set out in Section 4 of ARTICLE IV;

"**Director**" means any director of the Corporation elected in accordance with the terms of these Bylaws;

"**FCPA**" means the United States Foreign Corrupt Practices Act of 1977, as amended, or any successor federal statute, and the rulesand regulations promulgated thereunder, in each case as in effect from time to time;

"**Final Adjudication**" has the meaning set out in Section 2 of ARTICLE IX;

"**Financial Year**" has the meaning set out in Section 5 of ARTICLE VIII;

"**Group**" means, collectively, the Corporation and the Group Companies;

"**Group Companies**" means the subsidiaries of the Corporation from time to time, including BKV Oil& Gas Capital Partners, L.P., Kalnin Ventures, BKV Chaffee, BKV Chelsea, BKV Operating and BKV Barnett, and "**Group Company**" means each and any one of them;

"**Indemnitee**" has the meaning set out in Section 1 of ARTICLE IX;

"**IPO**" means the admission of all or any part of the common stock capital or depository receipts (or equivalent) representing common stock, of the Corporation to a United States securities exchange;

"**Management Team**" means those management employees of the Corporation (other than the CEO and Senior Management), who report directly to the CEO and Senior Management;

"**Proceeding**" has the meaning set out in Section 1 of ARTICLE IX;

"**SEC**" means the United States Securities and Exchange Commission;

"**Secretary**" means the secretary of the Corporation;

"**Securities Act**" means the United States Securities Act of 1933, as amended, or any successor federal statute, and the rulesand regulations promulgated thereunder, in each case as in effect from time to time;

"**Senior Management**" means, in addition to the CEO, the four (4) employees of the Corporation reasonably likely to receive the four (4) highest compensation during the next Financial Year (excluding the compensation of the CEO), provided that, for the first and second Financial Years, such employees shall be the Chief Financial Officer, the Chief Operating Officer, the Vice President of Corporate Development, and the Vice President and General Counsel;

"**Stock**" means a common stock in the issued share capital of the Corporation from time to time;

"**Stockholders**" means any holder of any Stock from time to time;

"**Stockholders Agreement**" means the Stockholders Agreement between the Corporation, BNAC and the other Stockholders dated as of May 1, 2020 as may be amended from time to time, copies of which are on file at the registered office of the Corporation; and

"**Undertaking**" has the meaning set out in Section 2 of ARTICLE IX.

ARTICLE II - STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the Stockholders shall be held at least once per Financial Year at such venue, on such date, and at such time as the Board of Directors shall each year determine which is no later than one hundred and eighty (180) days after the end of the Financial Year in accordance with the applicable laws.

Section 2. Special Meetings. Special meetings of the Stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called by the Board of Directors, the Chairman or the CEO and shall be held at such venue, on such date, and at such time as they or he or she shall determine.

Section 3. Venue of Meetings.

(a) The Board of Directors, the Chairman or the CEO may designate any venue, either within or outside of the State of Colorado, as the venue of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting be otherwise called, the venue of meeting shall be the principal office of the Corporation in the State of Colorado.

(b) The meeting of Stockholders may be held by video and other electronic conferencing means and the persons convening the meetings shall use reasonable efforts to ensure they are held at locations reasonably convenient for all Stockholders.

Section 4. Notice of Meetings.

(a) Notice of the venue, if any, date, and time of all meetings of the Stockholders, the means of remote communications, if any, by which Stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the Stockholders entitled to vote at the meeting, if such date is different from the record date for determining Stockholders entitled to notice of the meeting, shall be given, not less than ten (10)nor more than sixty (60) days before the date on which the meeting is to be held to each Stockholder entitled to vote at such meeting as of the record date for determining the Stockholders entitled to notice of the meeting, except as otherwise provided herein or required by applicable laws. Notice of any meeting need not be given to any Stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting without receiving such notice, except when the Stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

(b) The notice of meeting of Stockholders shall set out an agenda identifying in reasonable detail the matters to be discussed.

Section 5. Quorum.

(a) No action of the Corporation shall be taken at any meeting of the Stockholders unless a quorum of Stockholders is present at the beginning and throughout the meeting. Other than as required under applicable laws, the quorum for all meetings of Stockholders shall be any two (2)or more Stockholders holding more than fifty per cent. (50%) of the total issued and outstanding Stocks (each present personally or by representative, attorney or proxy or, if the meeting is held by video and other electronic conferencing means, by video or such other electronic conferencing means), unless or except to the extent that the presence of a larger number may be required by applicable law, one of whom shall be Christopher Kalnin or his representative, attorney or proxy.

(b) If, within an hour from the time appointed for holding the meeting of Stockholders, such quorum is not present, a new meeting of Stockholders must be called where the same quorum set out in Section 5(a) of this ARTICLE II will be required.

(c) When a meeting is adjourned to another time or venue, a written notice shall be given of the adjourned meeting to each Stockholder pursuant to Section4 of this ARTICLEII. The agenda and matters put forth at any adjourned meeting shall include only those matters put forth as the agenda for the original meeting.

(d) If, such quorum under Section5(b)of this ARTICLEII is still not present within an hour of the time appointed for holding a new meeting of Stockholders, another new meeting of Stockholders must be called where a quorum of any Stockholder(s)holding more than fifty per cent. (50%) of the total issued and outstanding Stocks (each present personally or by representative, attorney or proxy or, if the meeting is held by video and other electronic conferencing means, by video or such other electronic conferencing means) will be required and a written notice shall be given of the adjourned meeting to each Stockholder pursuant to Section4 of this ARTICLEII. The agenda and matters put forth at any adjourned meeting shall include only those matters put forth as the agenda for the original meeting.

Section 6. Organization. Such person as the Board of Directors may have designated or, in the absence of such a person, the Chairman or, in his or her absence, such person as may be chosen by the holders of a majority of the Stocks entitled to vote who are present, in person or by proxy, shall act as chairman of the meeting of the Stockholders. The Secretary shall act as the secretary of the meeting of the Stockholders. In the absence of the Secretary, the secretary of the meeting shall be such person as the chairman of the meeting appoints.

Section 7. Conduct of Business. The chairman of any meeting of Stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The date and time for each matter

upon which the Stockholders will vote at the meeting shall be announced at the meeting.

Section 8. Proxies and Voting.

(a) At any meeting of the Stockholders, every Stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Proxies for use at any meeting of Stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of proxies, and the acceptance or rejection of votes unless an inspector or inspectors shall have been appointed by the chairman of the meeting in which event such inspector or inspectors shall decide all such questions. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this subsection (a)may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(b) No proxy shall be valid after three (3)years from its date unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power. Should a proxy designate two (2)or more persons to act as proxies, unless such instrument shall provide to the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one is present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the Stocks as he or she is of the proxies representing such Stocks.

(c) At any meeting at which a vote is taken by ballots, the chairman of the meeting, may, and to the extent required by law, shall, in advance of any meeting of Stockholders, appoint one or more inspectors, to act at the meeting and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of Stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspector(s)to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

(d) Unless otherwise required by law or provided in the Certificate of Incorporation, each Stockholder shall have one (1)vote for each Stock entitled to vote which is registered in his or her name on the record date for the meeting. Voting of the Stockholders shall be determined based on the number of Stocks that voted for or against, or abstained from voting on, a matter and not by a show of hands. Stocks registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the board of directors (or comparable body) of such corporation may determine. Stocks registered in the name of a deceased person may be voted by his or her executor or administrator, either in person or by proxy. All matters, other than otherwise required by law, shall be determined by a majority of the votes cast affirmatively or negatively.

Section 9. Stock List.

(a) The officer who has charge of the stock ledger of the Corporation shall, at least ten (10)days before every meeting of Stockholders, prepare and make a complete list of Stockholders entitled to vote at any meeting of Stockholders, provided, however, if the record date for determining the Stockholders entitled to vote is less than ten (10)days before the meeting date, the list shall reflect the Stockholders entitled to vote as of the tenth (10^{th}) day before the meeting date, arranged in alphabetical order and showing the address of each such Stockholder and the number of Stocks registered in his or her name. Such list shall be open to the examination of any Stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting either on a reasonably accessible electronic network provide that the information required to gain access to the list is provided with the notice of the meeting or during ordinary business hours, at the principal place of business of the Corporation.

(b) A Stock list shall also be open to the examination of any Stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine (i)the identity of the Stockholders entitled to examine such Stock list and to vote at the meeting and (ii)the number of Stocks held by each of them.

Section 10. Consent of Stockholders in Lieu of Meeting.

(a) Any action required to be taken at any annual or special meeting of Stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the Stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed all Stockholders and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

(b) Every written consent shall bear the date of signature of each Stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation, a written consent or consents signed by a sufficient number of Stockholders to take action are delivered to the Corporation in the manner prescribed in subsection (a)of this Section10. An electronic transmission consenting to an action to be taken and transmitted by a Stockholder or proxyholder, or by a person or persons authorized to act for a Stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section10 to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the Delaware General Corporation Law.

(c) Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

ARTICLE III - BOARD OF DIRECTORS

Section 1. Number and Term of Office. The number of Directors who shall constitute the whole Board of Directors shall be eight (8)or such other number as may be determined from time to time by the unanimous vote of the Directors present and entitled to vote at a duly convened meeting of the Board of Directors, provided that: (a) for so long as BNAC (or other members of the Banpu Group) holds Stocks, five (5) individuals nominated by BNAC shall be elected as Directors; (b)for so long as Christopher Kalnin holds Stocks, two (2)individuals nominated by Christopher Kalnin shall be elected as Directors; and (c)one (1)independent individual, who is not a member of the Senior Management or the Management Team or an employee of the Group or an employee of the Banpu Group, nominated by at least a simple majority of the votes of the Board of Directors present and entitled to vote at a duly convened meeting of the Board of Directors shall be elected as a Director. Each Director shall serve a term of up to three (3)years as determined by the Board of Directors. A Director whose term has expired may be nominated for re-election in accordance with this Section 1, except as otherwise provided herein or required by law.

Section 2. Vacancies. If the office of any Director becomes vacant by reason of death, resignation, disqualification, removal or other cause prior to the expiration of his or her term, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his or her successor is elected and qualified pursuant to Section 1 of this ARTICLE III.

Section 3. Regular Meetings. The Board of Directors shall decide how often the meetings of the Board of Directors shall take place, provided that:

(a) they are held monthly on the third (3rd) week of each month, unless at least a simple majority of the Board of Directors agrees otherwise; and

(b) any Director may propose to convene a meeting of the Board of Directors at any time.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by one-third of the directors then in office (rounded up to the nearest whole number), by the Chairman or by the CEO and shall be held at such venue, on such date, and at such time as they or he or she shall fix. Notice of the venue, date, and time of each such special meeting shall be given to each director by whom notice is not waived by mailing written notice not less than three (3)days before the meeting or by facsimile or electronic transmission of the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5. Venue of Meetings. The Board of Directors may designate any venue, either within or outside of the State of Colorado, as the venue for any meeting of the Board of Directors. If no designation is made, or if a special meeting be otherwise called, the venue of such meeting shall be the principal office of the Corporation in the State of Colorado.

Section 6. Notice of Meetings.

(a) At least five (5)Business Days' prior written notice, by hand, email, courier or registered mail, shall be given to each of the Directors of all meetings of the Board of Directors, except where a meeting of Board of Directors is adjourned under subsection (b)of Section7 of this ARTICLEIII or a shorter notice period has been agreed in writing by all of the Directors; provided, however, that attendance by a Director at a meeting of the Board of Directors without receiving any notice shall constitute waiver by him or her of the notice required for such meeting of the Board of Directors under this Section 6. Such notice shall contain a reasonably detailed agenda and shall be accompanied by any relevant papers.

(b) Any Stockholder or any Director may propose an item for inclusion in the agenda together with a related resolution to be proposed at such meeting of the Board of Directors.

Section 7. Quorum.

(a) Subject to the following subsections of this Section7, the quorum at a meeting of the Board of Directors shall be at least a simple majority of the Board of Directors which shall include one (1) Director nominated by Christopher Kalnin.

(b) If a quorum is not present within half an hour of the time appointed for the meeting or if a quorum ceases to be present during the course of the meeting, the Director(s)present shall adjourn the meeting of the Board of Directors to a specified place and time not less than three (3)Business Days after the date of such meeting of the Board of Directors where the same quorum shall be required.

(c) If such quorum set forth in subsection (b)of this Section7 is still not present within half an hour of the time appointed for such adjourned meeting of the Board of Directors or if such quorum ceases to be present during the course of such adjourned meeting of the Board of Directors, the Director(s)present shall again adjourn the meeting of the Board of Directors to a specified place and time not less than three (3)Business Days after the date of such adjourned meeting of the Board of Directors, where the quorum shall be at least a simple majority of the Board of Directors.

(d) Notice of any adjourned meeting of the Board of Directors shall be given to all of the Directors.

Section 8. Participation in Meetings By Conference Telephone. Any Director shall be entitled to participate in a meeting of the Board of Directors of which he or she is a member, at which he or she is not physically present, using any technology, including telephone or video conference or similar electronic means consented to by all the Directors. A meeting called and/or held by means of a telephone conference or a video conference or any similar communication equipment is deemed to be held at the venue agreed upon by the Directors attending the meeting. The Chairman shall ensure that the Board of Directors' resolutions and observations (if any) are duly recorded in the minutes of such meeting.

Section 9. Conduct of Business. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the Directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 10. Compensation of Directors. The Corporation shall cause each Director promptly to be reimbursed for all reasonable and documented out-of-pocket costs and expenses incurred by him or her in connection with attending meetings of the Board of Directors and other meetings and events attended on behalf of the Corporation and serving as a member of the Board of Directors.

Section 11. Chairman.

(a) The Chairman shall chair all meetings of the Board of Directors at which he/she is present but shall not have a casting vote. The Chairman shall ensure that all relevant papers for any meeting of the Board of Directors are properly circulated in advance and that all such meetings of the Board of Directors are quorate.

(b) The Chairman of the Board of Directors shall be elected from one of the BNAC-nominated Directors by at least a simple majority of the votes of the Directors present and entitled to vote at a duly convened meeting of the Board of Directors.

(c) If the Chairman is not present at any meeting of the Board of Directors, the Directors present may select any Director to act as Chairman for the purpose of such meeting.

(d) If the Chairman ceases to hold office as a Director during his/her term, BNAC shall nominate one of its nominated Directors to be elected as the Chairman for the remainder of the term of the Chairman who ceased to hold the office.

ARTICLE IV - COMMITTEES

Section 1. Committees of the Board of Directors. A majority of the Board of Directors may from time to time create one or more committees and appoint members of the Board of Directors to serve on the committee or committees. Each committee shall have one or more members, who serve at the pleasure of the Board of Directors. The Board of Directors shall designate one member of each committee to be chairman of the committee. The Board of Directors shall designate a secretary of each committee who may be, but need not be, a member of the committee or the Board of Directors.

Section 2. Conduct of Business. Each committee may determine the procedural rulesfor meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-third of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3. Audit Committee.

(a) The Board of Directors shall establish an audit committee (the " **Audit Committee**"). The CFO shall propose the agendas for and, subject to subsection (b)of this Section3, be involved in the meetings of the Audit Committee in order to present performance and recommend parameters and framework to the Audit Committee to be approved for further recommendation to the Board of Directors. The CFO may not be a member of the Audit Committee.

(b) The CFO shall recuse himself/herself from meetings of the Audit Committee to the extent he/she has a conflict of interest in the matter to be considered by the Audit Committee or to the extent the matter to be considered by the Audit Committee involves reviewing the work and performance of the CFO.

(c) The composition of the Audit Committee and the quorum and voting of a meeting of the Audit Committee, prior to an IPO, shall be determined by the Board of Directors. Unless agreed otherwise by the Board of Directors, a meeting of the Audit Committee shall take place at least once every quarter. The composition of the Audit Committee and the quorum and voting of a meeting of the Audit Committee, following the IPO, shall be determined by the Board of Directors in compliance with applicable SEC rulesand regulations and applicable listing standards of the securities exchange on which the Stocks of the Corporation are listed.

(d) The function of the Audit Committee shall be to oversee all significant financial matters of the Group in accordance with standard

United States board practice, including, but not limited to:

(i) reviewing the Audited Accounts and discussing with the Auditors the accounting policies to be adopted; and

(ii) providing assurance and recommendations (as applicable) to the Board of Directors in relation to:

(1) the Group's compliance with the laws, the Stockholders Agreement, the Bylaws and any business policies that the Board of Directors may establish;

(2) the adoption of and compliance with corporate governance procedures;

(3) risk management;

(4) the internal audit and integrity of production of financial statements and interim reports, if any, to Stockholders;

(5) the internal financial controls and management systems;

(6) the effectiveness of the external audit process; and

(7) the terms and conditions of engagement of external auditors for the provision of audit and non-audit services.

(e) The Parties agree that, prior to an IPO of the Corporation, the Board of Directors may transfer the risk management function of the Audit Committee to a new independent sub-committee under the Board of Directors, subject to applicable SEC rulesand regulations and applicable listing standards of the securities exchange on which the Stocks of the Corporation are listed.

Section 4. Compensation Committee.

(a) The Board of Directors shall establish a compensation committee (the " **Compensation Committee**"). The CEO shall propose the agendas for and, subject to subsection (b)of this Section4, be involved in the Compensation Committee meetings in order to present performance and recommend parameters and framework for the compensation for the Management Team and other employees (excluding the CEO and the Senior Management) to the Compensation Committee to be approved for further recommendation to the Board of Directors. The CEO may not be a member of the Compensation Committee.

(b) The CEO shall recuse himself/herself from meetings of the Compensation Committee to the extent he/she has a conflict of interest in the matter to be considered by the Compensation Committee or to the extent any matter to be considered by the Compensation Committee involves reviewing the performance and compensation of the CEO.

(c) The composition of the Compensation Committee and the quorum and voting of a meeting of the Compensation Committee, prior to an IPO, shall be determined by the Board of Directors. Unless agreed otherwise by the Board of Directors, a meeting of the Compensation Committee shall take place at least once every quarter. The composition of the Compensation Committee and the quorum and voting of a meeting of the Compensation Committee, following an IPO, shall be determined by the Board of Directors in compliance with applicable SEC rulesand regulations and applicable listing standards of the securities exchange on which the Stocks of the Corporation are listed.

(d) The function of the Compensation Committee shall be to:

(i) recommend the appointment, remuneration, compensation packages (salary and equity) and termination of the CEO and the Senior Management for approval by the Board of Directors and relevant approved amounts to be reflected in the Budget approved by the Board of Directors;

(ii) recommend broad parameters for compensation of the Management Team, and such parameters to be approved by the Board of Directors and relevant approved amounts to be reflected in the Budget approved by the Board of Directors; and

(iii) review the performance of the CEO and the Senior Management against the targets agreed in their relevant performance packages and to recommend annual performance rewards to be approved by the Board of Directors and relevant approved amounts to be reflected in the Budget approved by the Board of Directors.

ARTICLE V - OFFICERS

Section 1. Generally. The officers of the Corporation shall consist of a CEO and the Senior Management. The CEO and each member of the Senior Management shall be elected by the Board of Directors. The CEO and the Senior Management shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Section 2. CEO.

(a) Subject to the Board Reserved Matters and the Stockholders Agreement, the CEO shall have the power to manage and

administer the business and affairs of the Corporation and the Group Companies in accordance with:

(i) the approved Business Plan and Budget; and

(ii) his or her fiduciary duties and the interests of the Stockholders collectively so as to maximize the Corporation's equity value, without regard to his or her personal interests or the individual interests of any Stockholders.

(b) The CEO shall be the focal point for, and shall be accountable to, the Board of Directors. Subject to subsection (a)of this Section2, the CEO shall have full authority to decide, agree, consent to, approve, perform, enter into, delegate or otherwise undertake any activity that does not violate applicable laws for and on behalf the Corporation which does not fall within the scope of the Board Reserved Matters, unless it is legally required that such activity requires the prior approval of the Board of Directors and/or the Stockholders.

(c) The CEO may delegate certain (but not all) authority for delivery against the approved Business Plan and Budget to the Senior Management and the Management Team as the CEO deems appropriate, provided the CEO shall retain supervision of the Senior Management and the Management Team and shall remain accountable to the Board of Directors for such delivery.

(d) The CEO shall have the right to engage, appoint, remove or dismiss the Management Team as the CEO considers appropriate without obtaining the approval of the Board of Directors, but subject to the broad parameters for compensation of the Management Team which has been approved by the Board of Directors from time to time and reflected in the approved Budget.

(e) The CEO is entitled to make all hiring decisions and compensation decisions and enter into any agreements relating to the remuneration of the Management Team and other employees without obtaining an approval from the Board of Directors, but subject to compliance with the broad parameters for compensation for the Management Team and other employees which have been approved by the Board of Directors from time to time and reflected in the Budget.

Section 3. Treasurer. The CFO shall be a treasurer of the Corporation and shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The CFO shall also perform such other duties as the Board of Directors may from time to time prescribe.

Section 4. Secretary. The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the Stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 5. Removal. If, at any time after the date of these Bylaws, the CEO wishes to dismiss a member of the Senior Management and/or nominate a new member of the Senior Management or to change the size of the Senior Management or to change the positions that constitute the Senior Management, he shall make such recommendation to the Board of Directors for approval, and the Board of Directors may resolve to dismiss or appoint such member of the Senior Management as it sees fit after having considered the CEO's recommendation.

Section 6. Action with Respect to Securities of Other Corporations . Unless otherwise directed by the Board of Directors or otherwise reserved for prior decision of the Board of Director by the Board Reserved Matters, and subject to the Stockholders Agreement, the CEO or any officer of the Corporation authorized by both the CEO and the Board of Directors shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation, provided that the CEO or such other authorized officer of the Corporation must at all times exercise in good faith and act in the best interest of the Corporation and its Stockholders as a whole and comply with the applicable provisions of the Stockholders Agreement.

Section 7. Remuneration of the CEO and the Senior Management .

(a) The hiring, remuneration packages (including salary and equity) and the key performance indicators of the CEO and the Senior Management shall be approved by the Board of Directors.

(b) All approved compensation of the CEO, the Senior Management and the Management Team will be reflected in the approved Budget.

ARTICLE VI - STOCK

Section 1. Certificates of Stock.

(a) Each holder of Stock represented by certificates shall be entitled to a certificate signed by, or in the name of the Corporation by, the CEO and the Secretary certifying the number of Stocks owned by him or her and shall bear the following legends:

(i) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAYNOT BE TRANSFERRED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (i)(A)SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B)THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE CORPORATION AN OPINION OF COUNSEL, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM THE PROVISIONS OF SECTION5 OF SUCH ACT OR (C)A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION, REASONABLY SATISFACTORY TO COUNSEL FOR THE CORPORATION, SHALL HAVE BEEN OBTAINED WITH

RESPECT TO SUCH DISPOSITION AND (ii)SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM";

(ii) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO TRANSFER, VOTING AND OTHER RESTRICTIONS SET FORTH IN A STOCKHOLDERS AGREEMENT, DATED AS OF MAY1, 2020 AS MAYBE AMENDED FROM TIME TO TIME, COPIES OF WHICH ARE ON FILE AT THE REGISTERED OFFICE OF THE CORPORATION"; and

(iii) any legends required by applicable laws.

(b) When any Stock has been registered under the Securities Act, and such Stock has been sold pursuant to such registration or pursuant to Rule144 under the Securities Act or is eligible to be sold pursuant to paragraph (k)of such Rule, the Stockholder shall be entitled to exchange the certificate representing such Stocks for a certificate not bearing the legend required by this Section 1.

(c) Each Stockholder agrees that, in addition to complying with the restrictions on transfer set forth elsewhere in these Bylaws, such Stockholder will not directly or indirectly transfer any Stock (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any Stock) in violation of the Securities Act, applicable state securities or "blue sky" laws or any rulesor regulations thereunder, and such Stockholder will not transfer any Stock unless the conditions set forth in the legend required by this Section 1 are satisfied.

(d) If any Stock ceases to be subject to these Bylaws, the holder of such Stock shall be entitled to exchange the certificate representing such Stock for a certificate not bearing the legend required by this Section 1.

(e) Certificates representing Stocks may be issued electronically via Carta.

Section 2. Record Date.

(a) In order that the Corporation may determine the Stockholders entitled to notice of any meeting of Stockholders or any adjournment thereof, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10)days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the Stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining Stockholders entitled to notice of and to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of Stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for Stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of Stockholders entitled to vote in accordance with the foregoing provisions of this Section 2 at the adjourned meeting.

(b) In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the Stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining Stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) In order that the Corporation may determine the Stockholders entitled to consent to corporate action without a meeting, (including by electronic transmission as permitted by law), the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the Delaware General Corporation Law, the record date shall be the first date on which a consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Section 9 of ARTICLE II hereof. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the Delaware General Corporation Law with respect to the proposed action by consent of the Stockholders without a meeting, the record date for determining Stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 3. Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of Stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 4. Regulations. The issue, transfer, conversion and registration of certificates of Stock shall be governed by such other regulations as the Board of Directors may establish.

Section 5. Pre-Emptive Right. Any allotment of new Stocks or other equity securities proposed to be made by the Corporation (such Stock or other equity securities being called, "**Additional Securities**") shall first be offered for issuance and subscription to the each Stockholder in the proportion that the number of Stocks for the time being held by such Stockholder bears to the total number of issued and outstanding Stocks. Such offer shall be made by notice in writing specifying the number of Additional Securities to which the relevant Stockholder is entitled and the price per Stock and other terms and conditions of such offer (which must be the same for all Stockholders), and limiting a time (being not less than ten (10)days) within which the offer (if not accepted) shall be deemed to have been declined. Such offers are not assignable or otherwise transferable, may not be encumbered, split or consolidated and can be accepted in full or in part. The Corporation may offer any Additional Securities that was offered to but declined (or deemed declined) or otherwise not accepted by any Stockholder pursuant to this Section5 for issuance to and subscription by any person for the same price per Stock and on the same terms and conditions as those previously offered to the Stockholders.

ARTICLE VII - NOTICES

Section 1. Notices. If mailed, notice to Stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the Stockholder at such Stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to Stockholders, any notice to Stockholders may be given by electronic transmission in the manner provided in Section232 of the Delaware General Corporation Law.

Section 2. Waivers. A written waiver of any notice, signed by a Stockholder or Director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver.

ARTICLE VIII - MISCELLANEOUS

Section 1. Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2. Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the CFO.

Section 3. Information.

(a) The Corporation shall prepare, or procure the preparation of, and shall submit to each Stockholder, provided that such Stockholder continues to hold a Stock: (i)the financial information and (ii)such information as any Stockholders may reasonably require relating to the business or financial condition of the Corporation or of any Group Company within a reasonable period.

(b) A Stockholder may, at its own expense, upon prior written notice to the Corporation and at reasonable times during business hours, access the premises of the Corporation to inspect and make copies of all books, records, accounts and documents relating to the Stockholder's ownership of Stock(s) and the affairs of the Corporation.

(c) All information provided in accordance with this Section3 shall be held in confidence by each receiving Stockholder. Notwithstanding anything in this Section3 to the contrary, the Corporation shall not be required to provide any confidential proprietary information to any Stockholder that is a competitor or that, in the opinion of the Board of Directors, is reasonably likely to become a competitor of the Corporation or any of its Group Companies, except to the extent required by law.

Section 4. Reliance upon Books, Reports and Records . Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 5. Financial Year. The financial year of the Corporation (other than in the case of the first Financial Year of the Corporation) shall commence on 1st Januaryand end on 31 st December(the " **Financial Year**"), provided that the first Financial Year of the Corporation shall be deemed to have commenced on 1st May 2020 and end on 31 st December 2020.

Section 6. Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE IX - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Subject to Section5 of this ARTICLEIX, each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**Proceeding**") by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (such person solely in any such capacity, hereinafter, an "**Indemnitee**") shall be indemnified and held harmless by the Corporation to the fullest extent permitted by law, as the same exists or may hereafter be amended, against all expenses (including attorneys' fees), judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement actually and reasonably incurred or suffered by such Indemnitee in connection therewith if the Indemnitee acted in good faith and in a manner that the Indemnitee reasonably believed to be in and not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, the Indemnitee had no reasonable cause to believe the Indemnitee's conduct was unlawful; provided, however, that: (a)except as provided in Section3 of this ARTICLEIX with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such Indemnitee in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if, and only to the extent, such Proceeding (or part thereof) was authorized by the Board of Directors; and (b)with respect to Proceedings by the Corporation, no indemnification for expenses (including attorneys' fees) shall be made in respect of any claim, issue or matter as to which any Indemnitee shall have been adjudged to be liable to the Corporation unless, and only to the extent that, the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Indemnitee is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section1 of this ARTICLEIX, but subject to Section5 of this ARTICLEIX, an Indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) actually and reasonably incurred in defending any such Proceeding that the Indemnitee is entitled to indemnification under Section1 of this ARTICLEIX in advance of its final disposition (hereinafter an "**Advancement of Expenses**"); provided, however, that, an Advancement of Expenses actually and reasonably incurred by an Indemnitee shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "**Undertaking**"), by or on behalf of such Indemnitee, to promptly repay the Corporation all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right for such Indemnitee to appeal or in respect of which the such Indemnitee waives all rights to appeal (hereinafter a "**Final Adjudication**") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

Section 3. Right of Indemnitee to Bring Suit. If a claim under Section1 or Section2 of this ARTICLEIX is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an Advancement of Expenses, in which case the applicable period shall be twenty (20) days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit to the extent such expense relates to the Indemnitee's successful prosecution or defense. In (a) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and (b)any suit brought by the Corporation to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Corporation shall be entitled to recover such expenses upon a Final Adjudication that, the Indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Directors who are not parties to such action, a committee of such directors, independent legal counsel, or its Stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Directors who are not parties to such action, a committee of such directors, independent legal counsel, or its Stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit.

Section 4. Non-Exclusivity of Rights. The rights to indemnification and to the Advancement of Expenses conferred in this ARTICLEIX shall not be exclusive of any other right which any Indemnitee may have or hereafter acquire under any statute, the Corporation's Certificate of Incorporation, Bylaws, agreement, vote of Stockholders or disinterested directors or otherwise.

Section 5. Proceedings by the Stockholders, the Corporation or the Group Companies. Notwithstanding any provision in these Bylaws to the contrary, the Corporation shall not be obligated to indemnify, reimburse, advance or otherwise pay any expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) incurred or suffered by any Indemnitee in connection with any claim or Proceeding: (a)brought by or against such Indemnitee as a Stockholder or in his or her personal or any other capacity that is not expressly set forth in Section1 of this ARTICLEIX; or (b)by the Corporation or any of its Group Companies against such Indemnitee for fraud or willful misconduct of such Indemnitee or such Indemnitee's violation of the FCPA, unless and until the Corporation or the applicable Group Company is determined by final judicial decision from which there is no further right for the Corporation or the applicable Group Company to appeal (or in respect of which the Corporation or the applicable Group Company waives all rights to appeal) to be unsuccessful in such claim or Proceeding, in which case the Corporation shall, or shall procure the applicable Group Company to, indemnify such Indemnitee in accordance with Section1 of this ARTICLEIX for the expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in connection with such unsuccessful claim or Proceeding.Notwithstanding any provision in these Bylaws to the contrary, the Corporation shall not be obligated to make any Advancement of Expenses to any Indemnitee in connection with any claim or Proceeding by or against such Indemnitee described in this Section 5.

Section 6 Insurance.

a. The Corporation may, to the extent authorized from time to time by the Board of Directors, maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against

any expense, liability or loss to the fullest extent permissible under applicable law, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

b. The Corporation shall maintain directors' and officers' liability insurance for the benefit of the Directors and its officers with a reputable insurer for the benefit of any person who is (or was) a Director (including insurance against, subject to applicable laws, any losses incurred by or attaching to a Director in respect of any act or omission in the actual or purported exercise of his/her powers and/or otherwise in relation to his/her duties, powers or offices, provided such directors' and officers' liability insurance shall (i) meet the United States market standards for the oil and gas industry and (ii) be appropriate for the Directors and officers of the Corporation.

Section 7. Indemnification of Employees and Agents of the Corporation . The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this ARTICLE IX with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 8. Nature of Rights. The rights conferred upon indemnitees in this ARTICLEIX shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this ARTICLEIX that adversely affects any right of an Indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

ARTICLE X - AMENDMENTS

The Board of Directors shall have the power to adopt, amend and repeal from time to time bylaws of the Corporation subject to the right of Stockholders entitled to vote with respect thereto to amend or repeal such bylaws as adopted or amended by the Board of Directors.

FORM OF
SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
BKV CORPORATION

BKV Corporation, a corporation organized and existing under the laws of the State of Delaware, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, hereby certifies as follows:

1.The present name of the corporation is BKV Corporation. The corporation was incorporated under the name "BKV Corporation" by the filing of its original Certificate of Incorporation, effective as of May 1, 2020, with the Secretary of State of the State of Delaware on April 28, 2020. The original Certificate of Incorporation was amended and restated on December 15, 2020 (as amended and restated, the "**Original Certificate of Incorporation**").

2. This Second Amended and Restated Certificate of Incorporation (this " **Amended and Restated Certificate of Incorporation** "), which amends, restates and integrates the provisions of the Original Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by the directors and stockholders of the corporation.

3. The Original Certificate of Incorporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

Section 1.1 **Name**. The name of the Corporation is BKV Corporation (the " **Corporation**").

ARTICLE II

Section 2.1 **Address**. The registered office of the Corporation in the State of Delaware is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808; and the name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III

Section 3.1 **Purpose**. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the General Corporation Law of the State of Delaware (the "**DGCL**").

ARTICLE IV

Section 4.1 **Capitalization**. The total number of shares of all classes of stock that the Corporation is authorized to issue is 580,000,000 shares, consisting of (i) 80,000,000 shares of Preferred Stock, par value $0.01 per share ("**Preferred Stock**"), and (ii) 500,000,000 shares of Common Stock, par value $0.01 per share ("**Common Stock**"). The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of Common Stock or Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

Section 4.2 **Preferred Stock**.

(A) The Board of Directors of the Corporation (the " **Board**") is hereby expressly authorized, by resolution or resolutions, at any time and from time to time, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the powers, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series and to cause to be filed with the Secretary of State of the State of Delaware a certificate of designation with respect thereto. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

(B) Except as otherwise required by law, holders of a series of Preferred Stock, as such, shall be entitled only to such voting rights, if any, as shall expressly be granted thereto by this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to such series of Preferred Stock).

Section 4.3 **Common Stock**.

(A) **Voting Rights**.

(i)Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders of the Corporation generally are entitled to vote.

(ii)Notwithstanding the foregoing, to the fullest extent permitted by law, holders of Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of

such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

(B) **Dividends and Distributions**. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends and other distributions in cash, property of the Corporation or shares of the Corporation's capital stock, such dividends and other distributions may be declared and paid ratably on the Common Stock out of the assets of the Corporation that are by law available therefor at such times and in such amounts as the Board in its discretion shall determine.

(C) **Liquidation, Dissolution or Winding Up**. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock as to distributions upon dissolution or liquidation or winding up, the holders of all outstanding shares of Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares held by each such stockholder.

(D) **No Preemptive Rights**. No holder of Common Stock shall have any preemptive, conversion or other rights to subscribe for additional shares with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation, whether now or hereafter authorized.

ARTICLE V

Section 5.1 **Amendment of Certificate of Incorporation**. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation, in addition to any vote required by this Amended and Restated Certificate of Incorporation, the bylaws of the Corporation (as in effect from time to time, the "**Bylaws**") or applicable law or securities exchange rule or regulation, the following provisions in this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X (the "**Specified Provisions**"); provided, however, that, in the case of any proposed amendment, alteration, repeal or rescission of, or adoption of any provision inconsistent with, a Specified Provision, (A) as to which the DGCL does not require the consent or vote of the stockholders or (B) that is approved by at least sixty percent (60%) of the Board, then only the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class (in addition to any vote required by this Amended and Restated Certificate of Incorporation, the Bylaws or applicable law or securities exchange rule or regulation), shall be required to amend, alter, repeal or rescind, or adopt any provision inconsistent with, a Specified Provision.

Section 5.2 **Amendment of Bylaws**. The Board is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the Bylaws by the affirmative vote of a majority of the total number of directors then in office, without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation or the Bylaws or any provision of law that might otherwise permit a lesser vote of the stockholders, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by this Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), the Bylaws or applicable law or securities exchange rule or regulation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

Section 6.1 **Board of Directors**.

(A) Except as provided in this Amended and Restated Certificate of Incorporation and the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors shall be determined from time to time by the affirmative vote of a majority of the total number of directors then in office. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the initial closing of the registered initial underwritten public offering of the Common Stock (the "**IPO Date**"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. Commencing with the first annual meeting of stockholders following the IPO Date, the directors of the class to be elected at each annual meeting shall be elected for a three-year term. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office. The Board is authorized to assign members of the Board already in office to their respective class.

(B) Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding or the rights granted pursuant to the Stockholders' Agreement, expected to be dated on or about the IPO Date (the "**Stockholders' Agreement**"), by and between the Corporation and Banpu North America Corporation (together with its affiliates, subsidiaries, successors and assigns, but excluding the Corporation and its subsidiaries, collectively, "**Banpu**"), any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board (whether by death,

resignation, retirement, disqualification, removal or other cause) shall be filled by a majority of the total number of directors then in office, although less than a quorum, or by a sole remaining director, and not by the stockholders. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

(C) Any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) may be removed only for cause and only by the affirmative vote of the holders of at least sixty percent (60%) in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

(D) During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

(E) Elections of directors need not be by written ballot unless the Bylaws shall so provide.

ARTICLE VII

Section 7.1 **Limitation on Liability of Directors and Officers**. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended and except as otherwise provided in the Bylaws, a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

Section 7.2 **Indemnification and Advancement of Expenses**.

(A) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (such person solely in any such capacity, an "**Indemnitee**"), shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, subject to the terms and conditions set forth in the Bylaws.

(B) In addition to the right to indemnification conferred in Section 7.2(A), an Indemnitee shall also have the right to be paid by the Corporation the expenses incurred in connection with any such Proceeding in advance of its final disposition to the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, subject to the terms and conditions set forth in the Bylaws.

Section 7.3 **Applicability**. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director or officer of the Corporation existing at the time of such amendment, repeal, adoption or modification. If the DGCL is subsequently amended to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer, as applicable, to the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

ARTICLE VIII

Section 8.1 **Consent of Stockholders in Lieu of Meeting**. At any time when Banpu beneficially owns, in the aggregate, at least thirty-five percent (35%) in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. At any time when Banpu beneficially owns, in the aggregate, less than thirty-five percent (35%) in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; provided, however, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock. For the purposes of this Amended and Restated Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

Section 8.2 **Special Meetings of the Stockholders**. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board by the affirmative vote of a majority of the total number of directors then in office, the Chairman of the Board or the Chief Executive Officer of the Corporation, and may not be called by any other person or persons.

Section 8.3 **Annual Meetings of the Stockholders**. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by resolution of the Board or a duly authorized committee thereof.

ARTICLE IX

Section 9.1 **Competition and Corporate Opportunities**.

(A) In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of Banpu and its Affiliates (as defined below) may serve as directors, officers or agents of the Corporation, (ii) Banpu and its Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board who are not employees of the Corporation (the "**Non-Employee Directors**") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve Banpu, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

(B) None of (i) Banpu or any of its Affiliates or (ii) any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both his or her director and officer capacities) or his or her Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as "**Identified Persons**" and, individually, as an "**Identified Person**") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity that may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section 9.1(C). Subject to Section 9.1(C), in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

(C) The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of this Corporation) if such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the Corporation, and the provisions of Section 9.1(B) shall not apply to any such corporate opportunity.

(D) In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

(E) For purposes of this Article IX, (i) "**Affiliate**" shall mean (a) in respect of Banpu, any Person that, directly or indirectly, is controlled by Banpu, controls Banpu or is under common control with Banpu and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (b) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (c) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) "**Person**" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

(F) To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X

Section 10.1 **Severability.** If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by applicable law, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

Section 10.2 **Forum**.

(A) Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time), or (iv) any action asserting a claim against the Corporation or any director, officer or employee of the Corporation, which claim is governed by the internal affairs doctrine.

(B) Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, or the Exchange Act.

(C) To the fullest extent permitted by law, any person purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 10.2.

* * * * *

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this [ ] day of [ ], 2022.

BKV CORPORATION

By: _____
Name:
Title:

[Signature Page to Second Amended and Restated Certificate of Incorporation of BKV Corporation]

Exhibit 3.4

FORM OF

AMENDED AND RESTATED

BYLAWS

OF

BKV CORPORATION

Date of Adoption:

[ ], 2022

ARTICLE I

Offices

Section 1.01 Registered Office. The registered office and registered agent of BKV Corporation (the " *Corporation*") in the State of Delaware shall be as set forth in the Amended and Restated Certificate of Incorporation (as defined below). The Corporation may also have offices in such other places in the United States or elsewhere (and may change the Corporation's registered agent) as the Board of Directors of the Corporation (the "*Board*") may, from time to time, determine or as the business of the Corporation may require as determined by any officer of the Corporation.

ARTICLE II

Meetings of Stockholders

Section 2.01 Annual Meetings. Annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board or a duly authorized committee thereof shall determine and state in the notice of meeting. The Board or a duly authorized committee thereof may, in its sole discretion, determine that annual meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 in accordance with Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "*DGCL*"). The Board or a duly authorized committee thereof may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board or a duly authorized committee thereof.

Section 2.02 Special Meetings. Special meetings of the stockholders may only be called in the manner provided in the Corporation's certificate of incorporation as then in effect (as the same may be amended and/or restated from time to time, the "*Amended and Restated Certificate of Incorporation*") and may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board or the Chairman of the Board or the Chief Executive Officer of the Corporation (the "*Chief Executive Officer*") shall determine and state in the notice of such meeting. The Board may, in its sole discretion, determine that special meetings of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Bylaws in accordance with Section 211(a)(2) of the DGCL. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board or the Chairman of the Board or the Chief Executive Officer.

Section 2.03 Notice of Stockholder Business and Nominations .

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) as provided in the Stockholders' Agreement, dated on or about the date hereof (the "*Stockholders' Agreement*"), by and between the Corporation and Banpu North America Corporation (together with its affiliates, subsidiaries, successors and assigns, but excluding the Corporation and its subsidiaries, collectively, "*Banpu*") (with respect to nominations of persons for election to the Board only), (b) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04, (c) by or at the direction of the Board or any authorized committee thereof or (d) by any stockholder of the Corporation who (i) is entitled to vote at the meeting, (ii) subject to paragraph (C)(4) of this Section 2.03, complied with the notice procedures set forth in paragraph (A)(2) and paragraph (A)(3) of this Section 2.03 and (iii) was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation, on the record date for the determination of stockholders of the Corporation and at the time of the meeting. Clause (d) of this Section 2.03(A)(1) shall be the exclusive means for a stockholder to make nominations (other than pursuant to clause (a) of this Section 2.03(A)(1)) or submit other business before an annual meeting of stockholders (other than pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*").

---

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (d) of paragraph (A)(1) of this Section 2.03, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and, in the case of business other than nominations of persons for election to the Board, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business

(as defined below) on the ninetieth (90th) day nor earlier than the close of business on the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock (as defined in the Amended and Restated Certificate of Incorporation) are first publicly traded, be deemed to have occurred on [ ]); *provided, however*, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70) days, from the anniversary date of the previous year's meeting, or, following the Corporation's first annual meeting of stockholders after shares of its Common Stock are first publicly traded, if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred and twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement (as defined below) of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Notwithstanding anything in this Section 2.03(A)(2) to the contrary, if the number of directors to be elected to the Board at an annual meeting is increased, and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least one hundred (100) calendar days prior to the first anniversary of the prior year's annual meeting of stockholders, then a stockholder's notice required by this Section 2.03 shall be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary of the Corporation not later than the close of business on the tenth (10th) calendar day following the day on which such public announcement is first made by the Corporation. For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in these Bylaws.

(3) A stockholder's notice delivered pursuant to this Section 2.03 shall set forth:

(a) as to each person whom the stockholder proposes to nominate for election or re-election as a director (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person (present and for the past five (5) years), (iii) the Ownership Information (as defined below) for such person and any member of the immediate family of such person, or any Affiliate or Associate (each as defined below) of such person, or any person acting in concert therewith, (iv) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to the Exchange Act, and the rules and regulations promulgated thereunder (including such person's written consent to being named in the Corporation's proxy statement as a nominee of the stockholder and to serving as a director if elected), (v) a complete and accurate description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings (whether written or oral) during the past three years, and any other material relationships, between or among each Holder (as defined below) and any Stockholder Associated Person (as defined below), on the one hand, and each proposed nominee and any member of the immediate family of such proposed nominee, and his or her respective Affiliates and Associates, or others acting in concert therewith, on the other hand, including, without limitation, all biographical and related party transaction and other information that would be required to be disclosed pursuant to the federal and state securities laws, including Rule 404 promulgated under Regulation S-K under the Securities Act of 1933, as amended (or any successor provision), if any Holder and any Stockholder Associated Person were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, and (vi) a completed and signed questionnaire, representation and agreement and any and all other information required by paragraph (D) of this Section 2.03;

(b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made;

(c) set forth, as to the stockholder giving the notice (the " *Noticing Stockholder*") and the beneficial owner, if any, on whose behalf the nomination or proposal is made (collectively with the Noticing Stockholder, the "*Holders*" and each, a "*Holder*"): (i) the name and address as they appear on the Corporation's books of each Holder and the name and address of any Stockholder Associated Person, (ii)(A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by each Holder and any Stockholder Associated Person (*provided, however*, that for purposes of this Section 2.03(A)(3), any such person shall in all events be deemed to beneficially own any shares of the Corporation as to which such person has a right to acquire beneficial ownership of at any time in the future), (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived, in whole or in part, from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "*Derivative Instrument*") directly or indirectly owned beneficially by each Holder and any Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) any proxy, contract, arrangement, understanding or relationship pursuant to which each Holder and any Stockholder Associated Person has a right to vote or has granted a right to vote any shares of any security of the Corporation, (D) any Short Interest held by each Holder and any Stockholder Associated Person presently or within the last 12 months in any security of the Corporation (for purposes of this Section 2.03, a person shall be deemed to have a "*Short Interest*" in a security if such person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any agreement, arrangement or understanding (including any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) between and among each Holder, any Stockholder Associated Person, on the one hand, and any person acting in concert with any such person, on the other hand, with the intent or effect of which may be to transfer to or from any such person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation or to increase or decrease the voting power of any such person with respect to any security of the Corporation, (F) any direct or indirect legal, economic or financial interest (including Short Interest) of each Holder and any Stockholder Associated Person in the outcome of any vote to be taken (x) at any annual or special meeting of stockholders of the Corporation or (y) any other entity with respect to any matter that is related, directly or indirectly, to any nomination or business proposed by any Holder under this Section 2.03, (G) any rights to dividends on the shares of the Corporation owned beneficially by each Holder and any Stockholder Associated Person that are separated or separable from the underlying shares of the Corporation, (H) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which any Holder and any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns any interest in a general partner or is the manager or managing member or, directly or indirectly, beneficially owns any interest in the manager or managing member of a limited liability company or similar entity, (I) any direct or indirect legal, economic or financial interest (including Short Interest) in any principal competitor of the Corporation held by each Holder and any Stockholder Associated Person and (J) any performance-related fees (other than an asset-based fee) that each Holder and any Stockholder Associated Person is entitled to based on any increase or decrease in the value of shares of the Corporation or

Derivative Instruments, if any, as of the date of such notice (Sub-clauses (A) through (J) above of this Section 2.03(A)(3)(c)(ii) shall be referred, collectively, as the "*Ownership Information*"), (iii) a representation by the Noticing Stockholder that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting, will continue to be a stockholder of record of the Corporation entitled to vote at such meeting through the date of such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (iv) a representation whether any Holder and/or any Stockholder Associated Person intends or is part of a group which intends (A) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B) otherwise to solicit proxies from stockholders in support of such proposal or nomination, (v) a certification that each Holder and any Stockholder Associated Person has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares or other securities of the Corporation and such person's acts or omissions as a stockholder of the Corporation, and (vi) a representation as to the accuracy of the information set forth in the notice;

(d) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the Holders and any Stockholder Associated Person, on whose behalf the nomination or proposal is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, "*proponent persons*"); and

(4) A Noticing Stockholder shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (a) as of the record date for determining the stockholders entitled to notice of the meeting and (b) as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof; provided that if the record date for determining the stockholders entitled to vote at the meeting is less than fifteen (15) days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or adjournment or postponement thereof) and not later than five (5) days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the day prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than fifteen (15) days prior the date of the meeting or any adjournment or postponement thereof).

(5) The Corporation may also, as a condition to any such nomination or business being deemed properly brought before an annual meeting, require any Holder or any proposed nominee to deliver to the Secretary of the Corporation, within five (5) Business Days (as defined below) of any such request, such other information as may reasonably be requested by the Corporation, including such other information as may be reasonably required by the Board, in its sole discretion, to determine (a) the eligibility of such proposed nominee to serve as a director of the Corporation, (b) whether such nominee qualifies as an "independent director" or "audit committee financial expert" under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guideline or committee charter of the Corporation and (c) such other information that the Board determines, in its sole discretion, could be material to a reasonable stockholder's understanding of the independence or lack thereof.

(B) **Special Meetings of Stockholders**. Only such business (including the election of specific individuals to fill vacancies or newly created directorships on the Board) shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. At any time that stockholders are not prohibited from filling vacancies or newly created directorships on the Board, nominations of persons for the election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) as provided in the Stockholders' Agreement, (2) by or at the direction of the Board or any committee thereof or (3) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (a) is entitled to vote at the meeting, (b) (subject to paragraph (C)(4) of this Section 2.03) complies with the notice procedures set forth in this Section 2.03 and (c) is a stockholder of record at the time such notice provided for in this Section 2.03 is delivered to the Secretary of the Corporation on the record date for the determination of stockholders entitled to vote at the meeting, and at the time of the meeting. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by paragraph (A)(2) of this Section 2.03 shall be delivered to the Secretary not earlier than the close of business on the one hundred and twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which a public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) **General**.

(1) Except as provided in paragraph (C)(4) of this Section 2.03, only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 or the Stockholders' Agreement shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.03. Except as otherwise provided by the DGCL, the Amended and Restated Certificate of Incorporation or these Bylaws, the chairman of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the meeting, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall

deem appropriate.

Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time allotted to questions or comments by participants and on shareholder approvals; and (f) restricting the use of cell phones, audio or video recording devices and similar devices at the meeting. Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by the DGCL, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders. Unless and to the extent determined by the Board or the chairman of the meeting, the meeting of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(2) Whenever used in these Bylaws:

(a) "*Affiliate(s)*" and "*Associate(s)*" shall have the meanings attributed to such terms in Rule 12b-2 under the Exchange Act and the rules and regulations promulgated thereunder.

(b) "*Business Day*" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, NY are authorized or obligated by law or executive order to close.

(c) "*close of business*" shall mean 5:00 p.m. local time at the principal executive offices of the Corporation, and if an applicable deadline falls on the close of business on a day that is not a Business Day, then the applicable deadline shall be deemed to be the close of business on the immediately preceding Business Day.

(d) "*public announcement*" shall mean disclosure (i) in a press release released by the Corporation, provided such press release is released by the Corporation following its customary procedures, is reported by the Dow Jones News Service, Associated Press or comparable national news service, or is generally available on internet news sites, or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(e) "*Stockholder Associated Person*" shall mean as to any Holder (i) any person acting in concert with such Holder, (ii) any person controlling, controlled by or under common control with such Holder or any of their respective Affiliates and Associates, or person acting in concert therewith and (iii) any member of the immediate family of such Holder or an affiliate or associate of such Holder.

(3) Notwithstanding the foregoing provisions of this Section 2.03, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; *provided, however*, that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Bylaws (including paragraph (A)(1)(d) and paragraph (B) of this Section 2.03), and compliance with paragraph (A)(1)(d) and paragraph (B) of this Section 2.03 of these Bylaws shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in these Bylaws shall be deemed to affect any rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances.

(4) Notwithstanding anything to the contrary contained in this Section 2.03, for as long as the Stockholders' Agreement remains in effect with respect to Banpu, Banpu (to the extent then subject to the Stockholders' Agreement) shall not be subject to the notice procedures set forth in paragraph (A)(2), paragraph (A)(3) or paragraph (B) of this Section 2.03 with respect to any annual or special meeting of stockholders.

(D) **Submission of Questionnaire**. To be eligible to be a nominee for election as a director of the Corporation pursuant to this Section 2.03, a proposed nominee must deliver in writing (in accordance with the time periods prescribed for delivery of notice under this Section 2.03) to the Secretary (1) a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request of any stockholder of record identified by name within five (5) Business Days of such written request), (2) an irrevocable, contingent resignation to the Board, in a form acceptable to the Board, and (3) a written representation and agreement (in the form provided by the Secretary upon written request of any stockholder of record identified by name within five (5) Business Days of such request) that such person (a) is not and will not become a party to (i) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "*Voting Commitment*") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (c) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable rules of the exchanges upon which the securities of the Corporation are listed and all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation and (d) in such person's individual capacity and on behalf of any Holder on whose behalf the nomination is being made, intends to serve a full term if elected as a director of the Corporation.

Section 2.04 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed to or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

Section 2.05 Quorum. Unless otherwise required by law, the Amended and Restated Certificate of Incorporation or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series entitled to vote, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on that matter. Once a quorum is present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

Section 2.06 Voting. Except as otherwise provided by or pursuant to the provisions of the Amended and Restated Certificate of Incorporation, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote for each share of stock held by such stockholder that has voting power upon the matters in question. Each stockholder entitled to vote at a meeting of the stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided under Section 212(c) of the DGCL or as otherwise provided under applicable law, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Unless required by the Amended and Restated Certificate of Incorporation or applicable law, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Amended and Restated Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing sentence and subject to the Amended and Restated Certificate of Incorporation, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

Section 2.07 Chairman of Meetings. The Chairman of the Board, if one is designated or elected, as applicable, or, in the absence or inability to act of the Chairman of the Board, the Chief Executive Officer, or in the absence of the Chairman of the Board and the Chief Executive Officer, a person designated by the Board shall be the chairman of the meeting and, as such, preside at all meetings of the stockholders.

Section 2.08 Secretary of Meetings. The Secretary of the Corporation shall act as secretary at all meetings of the stockholders. In the absence or inability to act of the Secretary of the Corporation, the Chairman of the Board or the Chief Executive Officer shall appoint a person to act as Secretary at such meetings.

Section 2.09 Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Amended and Restated Certificate of Incorporation and in accordance with applicable law.

Section 2.10 Adjournment. At any meeting of stockholders of the Corporation, if less than a quorum be present, the chairman of the meeting or stockholders holding a majority in voting power of the shares of stock of the Corporation, present in person or by proxy at the meeting and entitled to vote thereat, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

Section 2.11 Remote Communication. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(A) participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided that:

(1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder;

(2) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(3) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 2.12 Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (A) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (B) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (C) count all votes and ballots, (D) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (E) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

ARTICLE III

Board of Directors

Section 3.01 Powers. Except as otherwise provided by the Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of its Board. The Board may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by the DGCL or the Amended and Restated Certificate of Incorporation directed or required to be exercised or done by the stockholders.

Section 3.02 Number and Term; Chairman. The number of directors shall be determined as set forth in Section 6.1(A) of the Amended and Restated Certificate of Incorporation. Directors shall be elected by the stockholders at their annual meeting, and the term of each director shall be as set forth in the Amended and Restated Certificate of Incorporation. Directors need not be stockholders. The Chairman of the Board, who shall have the powers and perform such duties as provided in these Bylaws and as the Board may from time to time prescribe, shall be a director (A) designated by Banpu pursuant to the rights granted to it under the Stockholders' Agreement or (B) at any time that Banpu does not have the right to designate the Chairman of the Board under the Stockholders' Agreement, elected by the Board. The Chairman of the Board shall preside at all meetings of the Board at which he or she is present. If the Chairman of the Board is not present at a meeting of the Board, the Chief Executive Officer (if the Chief Executive Officer is a director and is not also the Chairman of the Board) shall preside at such meeting, and, if the Chief Executive Officer is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one (1) such director to preside over such meeting.

Section 3.03 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary of the Corporation. The resignation shall take effect at the time or upon the happening of any event specified therein, and if no specification is so made, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

Section 3.04 Removal. Directors of the Corporation may be removed in the manner provided in the Amended and Restated Certificate of Incorporation and applicable law.

Section 3.05 Vacancies and Newly Created Directorships. Except as otherwise provided by law and subject to the Stockholders' Agreement, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Amended and Restated Certificate of Incorporation. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

Section 3.06 Meetings. Regular meetings of the Board may be held at such places and times as shall be determined from time to time by the Board. Special meetings of the Board may be called by the Chief Executive Officer or the Chairman of the Board, and shall be called by the Chief Executive Officer or the Secretary of the Corporation if directed by a majority of the Board and shall be at such places and times as they or he or she shall fix. Notice need not be given of regular meetings of the Board. At least twenty-four (24) hours before each special meeting of the Board, either written notice, notice by electronic transmission or oral notice (either in person or by telephone) of the time, date and place of the meeting shall be given to each director; *provided, however*, that if written notice is given only by United States mail, such notice be deposited in the United States mail, postage prepaid at least five (5) days before such special meeting of the Board. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. On or prior to December 1 of each calendar year, the Board shall approve a schedule of regular meetings of the Board to be held in the next calendar year.

Section 3.07 Quorum, Voting and Adjournment. Unless otherwise provided by the Amended and Restated Certificate of Incorporation, a majority of

the total number of directors shall constitute a quorum for the transaction of business. Unless otherwise provided in the Amended and Restated Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited. Except as otherwise provided by law, the Amended and Restated Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

Section 3.08 Committees; Committee Rules. The Board may designate one or more committees, including but not limited to an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee, each such committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board establishing such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; provided that no such committee shall have the power or authority in reference to the following matters: (A) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (B) adopting, amending or repealing these Bylaws. Each committee of the Board may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum; and all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

Section 3.09 Action Without a Meeting. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if the number of members of the Board or any committee thereof, as the case may be, required to take such action consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed in the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

Section 3.10 Remote Meeting. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, members of the Board, or any committee designated by the Board, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

Section 3.11 Compensation. The Board shall have the authority to fix, by resolution adopted by a majority of the total number of directors then in office, the compensation, including fees, of directors for services to the Corporation in any capacity. In addition, the Corporation shall cause each director to be promptly reimbursed for all reasonable and documented out-of-pocket costs and expenses incurred by him or her in connection with (A) attending meetings of the Board or any committee thereof and other meetings and events attended on behalf of the Corporation and (B) serving as a member of the Board.

Section 3.12 Reliance on Books and Records. A member of the Board, or a member of any committee designated by the Board, shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

Officers

Section 4.01 General. The officers of the Corporation shall include a Chief Executive Officer and a Secretary, each of whom shall be elected from time to time (but no less frequently than annually) by the Board and who shall hold office for such terms as shall be determined by the Board and until their successors are elected and qualified, or until their earlier death, resignation or removal. In addition, the Board may elect one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents, a Treasurer and one or more Assistant Treasurers and one or more Assistant Secretaries, who shall hold their office for such terms as shall be determined from time to time by the Board and until their successors are elected and qualified, or until their earlier death, resignation or removal, and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person.

Section 4.02 Other Officers and Agents. The Board may elect such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4.03 Chief Executive Officer. The Chief Executive Officer, subject to any contrary determination by the Board and any limitations set forth in the Stockholders' Agreement, shall have general executive charge, management and control of the properties and operations of the Corporation in the ordinary course of its business, with all such powers with respect to such properties and operations as may be reasonably incident to such responsibilities. If the Chairman of the Board has not been designated or elected, as applicable, or in the absence or inability to act of the Chairman of the Board, the Chief Executive Officer shall exercise all of the powers and discharge all of the duties of the Chairman of the Board, but only if the Chief Executive Officer is a director of the Corporation.

Section 4.04 Vice Presidents. Each Vice President, if any are elected, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him or her by the Chief Executive Officer or the Board.

Section 4.05 Treasurer. The Treasurer, if any, shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board or its designees selected for such purposes. The Treasurer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Treasurer shall render to the Chief Executive Officer and the Board, upon their request, a report of the financial condition of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board shall prescribe. In addition, the Treasurer shall have such further powers and perform such other duties incident to the office of Treasurer as from time to time are assigned to him or her by the Chief Executive Officer or the Board.

Section 4.06 Secretary. The Secretary shall: (A) cause minutes of all meetings of the stockholders and directors to be recorded and kept properly; (B) cause all notices required by these Bylaws or otherwise to be given properly; (C) see that the minute books, stock books and other nonfinancial books, records and papers of the Corporation are kept properly; and (D) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required. In addition, the Secretary shall have such further powers and perform such other duties as from time to time are assigned to him or her by the Chief Executive Officer or the Board.

Section 4.07 Assistant Treasurers and Assistant Secretaries. Each Assistant Treasurer and each Assistant Secretary, if any are elected, shall be vested with all the powers and shall perform all the duties of the Treasurer and Secretary, respectively, in the absence or inability to act of such officer, unless or until the Chief Executive Officer or the Board shall otherwise determine. In addition, Assistant Treasurers and Assistant Secretaries shall have such powers and shall perform such duties as shall be assigned to them by the Chief Executive Officer or the Board.

Section 4.08 Corporate Funds and Checks. The funds of the Corporation shall be kept in such depositories as shall from time to time be prescribed by the Board or its designees selected for such purposes. All checks or other orders for the payment of money shall be signed by the Chief Executive Officer, a Vice President, the Treasurer or the Secretary or such other person or agent as may from time to time be authorized and with such countersignature, if any, as may be required by the Board.

Section 4.09 Contracts and Other Documents. The Chief Executive Officer and the Secretary, or such other officer or officers as may from time to time be authorized by the Board or any other committee given specific authority in the premises by the Board during the intervals between the meetings of the Board, shall have power to sign and execute on behalf of the Corporation deeds, conveyances and contracts, and any and all other documents requiring execution by the Corporation.

Section 4.10 Ownership of Equity Interests or other Securities of Another Entity. Unless otherwise directed by the Board, the Chief Executive Officer, a Vice President, the Treasurer or the Secretary, or such other officer or agent as shall be authorized by the Board, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

Section 4.11 Delegation of Duties. In the absence, inability to act or refusal of any officer to exercise and perform his or her duties, the Board may delegate to another officer such powers or duties.

Section 4.12 Resignation and Removal. Any officer of the Corporation may be removed from office for or without cause at any time by the Board. Any officer may resign at any time in the same manner prescribed under Section 3.03 of these Bylaws.

Section 4.13 Vacancies. The Board shall have the power to fill vacancies occurring in any office.

ARTICLE V

Stock

Section 5.01 Certificated Shares. Unless the Board shall provide by resolution or resolutions otherwise in respect of some or all of any or all classes or series of the stock of the Corporation, the shares of stock of the Corporation shall be uncertificated. To the extent that shares of stock of the Corporation are represented by certificates, every holder of stock in the Corporation represented by certificates shall be entitled to have such certificate signed by, or in the name of the Corporation by, any two authorized officers of the Corporation (it being understood that each of the Chairman of the Board or the Vice Chairman of the Board, or the Chief Executive Officer or a Vice President, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation shall be an authorized officer for such purpose), certifying the number and class of shares of stock of the Corporation owned by such holder. Any or all of the signatures on the certificate may be a facsimile. The Board shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.

Section 5.02 Uncertificated Shares. If required by the DGCL, within a reasonable time after the issue or transfer of uncertificated shares, a written statement of the information required by the DGCL shall be sent by or on behalf of the Corporation to stockholders entitled to such uncertificated shares. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates; provided that the use of such system by the Corporation is permitted by applicable law.

Section 5.03 Transfer of Shares. Shares of stock of the Corporation represented by certificates shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, upon surrender to the Corporation by delivery thereof (to the extent evidenced by

a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of stock of the Corporation that are not represented by a certificate shall be transferred in accordance with any procedures adopted by the Corporation or its agents and applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation do so. The Corporation shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates representing shares of stock of the Corporation and uncertificated shares.

Section 5.04 Lost, Stolen, Destroyed or Mutilated Certificates. A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

Section 5.05 List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (A) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (B) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders.

Section 5.06 Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Amended and Restated Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (1) when no prior action of the Board is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (2) if prior action by the Board is required by law, the record date for such purpose shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

Section 5.07 Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim

to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

Notice and Waiver of Notice

Section 6.01 Notice. If mailed, notice to stockholders shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation, and if given by any other form, including any form of electronic transmission permitted by the DGCL shall be deemed given as provided in the DGCL. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

Section 6.02 Waiver of Notice. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Indemnification

Section 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "*proceeding*"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (such person solely in any such capacity, hereinafter an "*indemnitee*"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided, however*, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 7.02 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.01, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03) (hereinafter an "*advancement of expenses*"); *provided, however*, that, if the DGCL requires or in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an "*undertaking*"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "*final adjudication*") that such indemnitee is not entitled to be indemnified or entitled to advancement of expenses under Section 7.01 and this Section 7.02 or otherwise.

Section 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or Section 7.02 is not paid in full by the Corporation within (A) sixty (60) days after a written claim for indemnification has been received by the Corporation or (B) twenty (20) days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (1) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (2) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation 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 Article VII or otherwise shall be on the Corporation.

Section 7.04 Indemnification Not Exclusive.

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which

any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(1) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(A), entitled to enforce this Section 7.04(A).

(2) For purposes of this Section 7.04(A), the following terms shall have the following meanings:

(a) The term "*indemnitee-related entities*" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(b) The term "*jointly indemnifiable claims*" shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to applicable law, any agreement, certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

Section 7.05 Nature of Rights. The rights conferred upon indemnitees in this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 7.06 Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 7.07 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE VIII

Miscellaneous

Section 8.01 Electronic Transmission. For purposes of these Bylaws, "*electronic transmission*" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 8.02 Corporate Seal. The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 8.03 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

Section 8.04 Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 8.05 Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Amended

and Restated Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX

Amendments

Section 9.01 Amendments. These Bylaws may be made, repealed, altered, amended and rescinded as set forth in Section 5.2 of the Amended and Restated Certificate of Incorporation.

Exhibit 4.1


SPECIMEN
SPECIMEN
NUMBER
SHARES
BKV
SEE REVERSE FOR CERTAIN DEFINITIONS
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
COMMON STOCK
SPECIMEN - NOT NEGOTIABLE
FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $0.01 PAR VALUE EACH OF
BKV CORPORATION
transferable on the books of the Corporation by the holder thereof in person or by duly authorized attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended.
This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
COUNTERSIGNED:
BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC.
TRANSFER AGENT
BY:
AUTHORIZED SIGNATURE
BKV CORPORATION
CORPORATE
SEAL
2020
DELAWARE
SPECIMEN
NOT NEGOTIABLE
CHRISTOPHER P. KALNIN
CHIEF EXECUTIVE OFFICER
JOHN T. JIMENEZ
CHIEF FINANCIAL OFFICER
© COLUMBIA PRINTING SERVICES, LLC

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	*UNIF GIFT MIN ACT - .....Custodian.....*
TEN ENT - as tenants by the entireties	*(Cust) (Minor)*
JT TEN - as joint tenants with right of survivorship and not as tenants in common	*under Uniform Gifts to Minors Act .....*
	(State)

Additional abbreviations may also be used though not in the above list.

For Value Received,_____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares*

of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ *Attorney*

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

Exhibit 10.1

Execution Version

CREDIT AGREEMENT

dated as of

June 16, 2022

among

BKV CORPORATION
as Borrower

The Lenders Party Hereto

and

BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH
as Administrative Agent

TABLE OF CONTENTS

Table of Contents
(continued)

Page

Table of Contents
(continued)

Page

CREDIT AGREEMENT (this "Agreement") dated as of June 16, 2022 among BKV CORPORATION, as Borrower, the LENDERS from time to time party hereto and BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH , as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Term Loan or Borrowing, refers to whether such Loan, or the Term Loans comprising such Borrowing, bears interest at a rate determined by reference to the Alternate Base Rate.

"ABR Term Loan" means a Term Loan that bears interest at a rate based on the ABR.

"Acreage Swap" means any concurrent purchase and sale or exchange of Oil and Gas Properties between any Loan Party and another Person.

"Adjusted Daily Simple RFR" means with respect to any RFR Borrowing, an interest rate per annum equal to (a) the Daily Simple RFR, plus (b) 0.10 %; *provided* that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Stockholders' Equity" means stockholders' equity of the Borrower and its Consolidated Subsidiaries as determined pursuant to GAAP, adjusted to exclude in the calculation thereof any accumulated change in the fair market value of unrealized earnout obligations consisting of the Subject Payments and accumulated net unrealized gain or loss (after any offset) resulting from Swap Agreements and the application of Accounting Standards Codification Topic No. 815, Derivatives and Hedging.

"Adjusted Term SOFR Rate" means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; *provided* that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be the Floor for the purposes of this Agreement.

"Administrative Agent" means Bangkok Bank Public Company Limited, New York Branch, in its capacity as administrative agent for the Lenders hereunder, and any successor in such capacity pursuant to Article 8.05.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Affiliated" shall have a corresponding meaning.

"Agency Fee Letter" means that certain fee letter dated as of the Effective Date by and between the Borrower and the Administrative Agent.

"Agreement" has the meaning assigned to such term in the preamble hereto.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 0.50% and (c) the Adjusted Term SOFR Rate for a six-month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%; *provided* that, for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 6:00 a.m. New York time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.11(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Amended and Restated Shareholder Loans" means the loans incurred by the Borrower pursuant to the Amended and Restated Shareholder Loan Agreements (including the XTO Acquisition Subordinated Shareholder Loans).

"Amended and Restated Shareholder Loan Agreements" means (a) that certain Amended and Restated Loan Agreement, dated as of June 15, 2022, by and between Banpu North America, as lender, and the Borrower, as borrower, pursuant to which Banpu North America made a term loan in the aggregate principal amount of $116,000,000 and (b) the XTO Acquisition Subordinated Shareholder Loan Agreement.

"Amortization Base Amount" has the meaning assigned to such term in Section 2.07(a).

"Ancillary Document" has the meaning assigned to such term in Section 9.06.

"Annual Payment Date" means each anniversary of the Initial Funding Date occurring on or prior to the Maturity Date.

"Anti-Corruption Laws" means all Requirements of Law of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, (including, without limitation, the FCPA).

"Anti-Terrorism Laws" means all Requirements of Law of any jurisdiction related to terrorism financing or money laundering, including the Patriot Act, The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) and Executive Order 13224 (effective September 24, 2001).

"Applicable Percentage" means, with respect to any Lender at any time , a percentage (carried out to the ninth decimal place) equal to a fraction (a) the numerator of which is an amount equal to such Lender's Credit Exposure at such time and (b) the denominator of which is an amount equal to the Credit Exposures of all Lenders at such time; provided that, in each case, when a Defaulting Lender shall exist, "Applicable Percentage" shall disregard any Defaulting Lender's Credit Exposure.

"Applicable Prepayment Premium" means, with respect to any Term Loans being prepaid or repaid (i) as a result of an acceleration of the Term Loans pursuant to Section 7.01, (ii) at the Borrower's option pursuant to Section 2.08(a) (subject to the exceptions set forth in such Section 2.08(a)), (iii) as required pursuant to Section 2.08(b), or (iv) if any Lender's rights are assigned or delegated at the election of the Borrower pursuant to Section 2.16(b), a fee (expressed as a percentage of the principal amount of the Term Loan being prepaid or repaid) equal to 2.00%.

"Applicable Rate" means 4.75% per annum.

"Approved Electronic Platform" has the meaning assigned to such term in Section 8.03(a).

"Approved Petroleum Engineers" means (a) Ryder Scott Company, L.P. and (b) any other independent petroleum engineers reasonably acceptable to the Administrative Agent.

"Approved Swap Counterparty" means (a) any Person whose (or whose credit support provider's) long term senior unsecured debt rating or issuer rating at the time the relevant Swap Agreement is entered into is A- or higher by S&P or A3 or higher by Moody's (or their equivalent) or (b) any counterparty to a Swap Agreement with the Borrower or any Subsidiary of the Borrower that is acceptable to the Administrative Agent at the time such Swap Agreement is entered into.

"Asset Coverage Ratio" means, as of any date, the ratio of (a) Total Proved PV-10 as of such date to (b) Specified Total Indebtedness as of such date.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit B, or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Available Cash" means, as of any date of determination, all cash and Cash Equivalents of the Borrower or any of its Subsidiaries as of such date, other than any such cash or Cash Equivalents that would appear as "restricted" on a consolidated balance sheet of the Borrower or any of its Subsidiaries.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an interest period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.11.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as

amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Banpu" means Banpu Public Company Limited, a public company registered in Thailand.

"Banpu North America" means Banpu North America Corporation, a Delaware corporation.

"Benchmark" means, initially, (a) with respect to any Term Benchmark Loan, the Term SOFR Rate and (b) with respect to any RFR Term Loan, the Adjusted Daily Simple RFR; *provided* that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the Term SOFR Rate, the Adjusted Daily Simple RFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.11(b).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple RFR;

(2)the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable interest period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in Dollars at such time.

"Benchmark Replacement Conforming Changes" means, with respect to Term SOFR and/or any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day", the definition of "U.S. Government Securities Business Day", the definition of "Interest Period," the definition of "Interest Payment Date", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, changes to Section 2.05 to reflect one interest rate applicable to all Term Loans, and other technical, administrative or operational matters) that the Administrative Agent (in consultation with the Borrower) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent (in consultation with the Borrower) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1)in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2)in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such

determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1)a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2)a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component), or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3)a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 CFR § 1010.230.

"BKV-BPP" means BKV-BPP Power, LLC, a Delaware limited liability company.

"BKV-Temple Loan Agreement" means that certain Loan Agreement, dated as of December 23, 2021, by and among the Borrower and Temple Generation I LLC.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means BKV Corporation, a Delaware corporation.

"Borrowing" means Term Loans made, converted or continued on the same date.

"Borrowing Request" means a written request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form attached hereto as Exhibit D-1 or any other form approved by the Administrative Agent.

"Budget" means a budget of the Borrower and its Consolidated Subsidiaries, in form and detail acceptable to the Administrative Agent (including reasonably detailed information regarding any gas discounts, transportation costs, general and administrative expenses and hedging information).

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City (and, solely for purposes of Article II, Bangkok, Thailand), are authorized or required by law to remain closed; *provided* that, when used in connection with a Term Benchmark Loan or RFR Term Loan, the term "Business Day" shall also exclude any day that is not a U.S. Government Securities Business Day.

"Capital Expenditures" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition or improvement of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations) classified and accounted for as a capital expenditure on the statement of cash flow of such Person in accordance with GAAP, but excluding any payments made as consideration for any merger or consolidation with any other Person or any acquisition of the Equity Interests in any other Person.

"Capital Lease Obligations" of any Person means, subject to Section 1.03, the obligations of such Person to pay rent or other amounts under

any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital lease obligations on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means, as at any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) deposits maturing within one year from the date of creation thereof with, including certificates of deposit issued by, any Lender or any office located in the United States of any other bank or trust company which is organized under the laws of the United States or any state thereof, has capital, surplus and undivided profits aggregating at least $100,000,000 (as of the date of such bank or trust company's most recent financial reports) and has a short term deposit rating of no lower than A-2 or P-2, as such rating is set forth from time to time, by S&P or Moody's, respectively; and (e) deposits in money market funds investing exclusively in Investments described in clauses (b), (c) or (d) above.

"Cash Reforecast" has the meaning assigned to such term in Section 5.01(e).

"Casualty Event" means any loss, casualty or other insured damage to, or any nationalization, taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary and, with respect to Section 2.08(b) and clause (b) of the definition of "Prepayment Event", to the extent that the cost to the Borrower or such Subsidiary to replace, rebuild or repair such property or asset would be equal to or greater than $1,000,000.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, state and local analogs, and all rules and regulations and requirements thereunder in each case as now or hereafter in effect.

"Change in Control" means an event or series of events by which:

(a) at any time prior to the consummation of a Qualified IPO, the Permitted Holders collectively shall cease to directly or indirectly own, or cease to have the power to vote or direct the voting of, Equity Interests of the Borrower representing at least 75% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower on a fully-diluted basis;

(b) at any time after the consummation of a Qualified IPO, the Permitted Holders collectively shall cease to directly or indirectly own, or cease to have the power to vote or direct the voting of, Equity Interests of the Borrower representing at least 51% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower on a fully-diluted basis; or

(c) any of the Equity Interests of the Borrower owned by any Permitted Holder becomes subject to any Lien (other than Liens securing the Obligations).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Charges" has the meaning assigned to such term in Section 9.15.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator).

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

"Commitment" means a Term Loan Commitment.

"Commitment Expiration Date" means the last day of the Term Loan Availability Period.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any

Issuing Bank by means of electronic communications pursuant to Section 8.03(c), including through an Approved Electronic Platform.

"Compliance Certificate" means a certificate of a Financial Officer of the Borrower substantially in the form attached hereto as Exhibit E.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means, with reference to any period, the sum of the following: (a) Consolidated Net Income for such period plus (b) without duplication and to the extent deducted from revenues in determining Consolidated Net Income for such period, (i) Consolidated Interest Expense, (ii) expense for income, margin, franchise and similar taxes paid or accrued, (iii) depreciation, (iv) depletion, (v) amortization and (vi) other non-cash charges (except to the extent that such non-cash charges are reserved for cash charges to be taken in the future), minus (c) to the extent included in Consolidated Net Income for such period, (i) interest income, (ii) income tax credits and refunds (to the extent not netted from income tax expense) and (iii) non-cash gains and other non-cash items increasing Consolidated Net Income (other than any such non-cash gains on items to the extent representing the reversal of an accrual or reserve for a potential cash charge in any prior period), all calculated for the Borrower and its Subsidiaries in accordance with GAAP on a consolidated basis. For purposes of calculating Consolidated EBITDA for any period, if at any time during such period the Borrower or any of its Subsidiaries shall have made any Material Disposition or Material Acquisition, Consolidated EBITDA for such period shall be calculated giving pro forma effect thereto as if such Material Disposition or Material Acquisition had occurred on the first day of such period (such pro forma effect to be determined without giving effect to any anticipated or proposed change in operations, revenues, expenses or other items included in the calculation of Consolidated EBITDA, except with the consent of the Administrative Agent), and such pro forma effect shall be determined in a manner otherwise acceptable to the Administrative Agent and with supporting documentation acceptable to the Administrative Agent.

"Consolidated Fixed Charge Coverage Ratio" means, as of the last day of any Test Period, the ratio, determined on a consolidated basis for the Borrower and its Subsidiaries for such Test Period, of (a) (i) Consolidated EBITDA for such Test Period *plus* (ii) cash held by the Borrower and its Subsidiaries as of the commencement of such Test Period *minus* (iii) the sum of (without duplication) (A) the current portion of any Indebtedness of the Borrower and its Subsidiaries as of such date (other than the current portion of any Term Loans and any current contingent Indebtedness), (B) the aggregate principal amount of any Indebtedness incurred pursuant to Section 6.01(i) and outstanding as of such date and (C) the aggregate amount of the Subject Payments and any other contingent Indebtedness and/or earnout obligations incurred by the Borrower or its Subsidiaries in connection with any Investment (other than any current contingent Indebtedness) to (b) Consolidated Fixed Charges for such Test Period.

"Consolidated Fixed Charges" means, with respect to any Test Period, the sum of (a) Consolidated Interest Expense for such Test Period, (b) scheduled principal payments of borrowed money (including the Term Loans) made during such Test Period, (c) Capital Expenditures made during such Test Period, (d) any federal and state income taxes paid in cash for such Test Period, and (e) cash payments in respect of Capital Lease Obligations made during such Test Period.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries allocable to such period in accordance with GAAP (including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and net costs under interest rate Swap Agreements to the extent such net costs are allocable to such period in accordance with GAAP). In the event that the Borrower or any of its Subsidiaries shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant period, Consolidated Interest Expense shall be determined for such period on a pro forma basis as if such acquisition or Disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from such net income (to the extent otherwise included therein) the following: (a) the net income of any Person in which the Borrower or any of its Subsidiaries has an interest (which interest does not cause the net income of such other Person to be consolidated with the net income of the Borrower and its Subsidiaries in accordance with GAAP), except to the extent of the amount of dividends or distributions actually paid in cash during such period by such Other Person to the Borrower or a Subsidiary; (b) the undistributed earnings during such period of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions or transfers or loans by that Subsidiary is not at the time permitted by operation of the terms of its charter or any agreement, instrument or Governmental Requirement applicable to such Subsidiary or is otherwise restricted or prohibited; (c) the net income (or loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of such transaction; (d) any extraordinary or non-recurring gains or losses during such period; (e) any gains or losses attributable to write-ups or writedowns of assets (including ceiling test writedowns); and (f) any net unrealized gain or loss (after any offset) resulting in such period from Swap Agreements and the application of Accounting Standards Codification Topic No. 815, Derivatives and Hedging.

"Consolidated Subsidiaries" means each Subsidiary of the Borrower (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of the Borrower in accordance with GAAP.

"Consolidated Total Assets" means the total assets of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the most recent consolidated balance sheet of the Borrower.

"Control" means the possession, directly or indirectly, of (i) the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise or (ii) the power to vote or direct the voting of Equity Interests representing ten percent (10%) or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of a Person on a fully-diluted basis. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor", with respect to any Available Tenor, means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Exposure" means, as to any Lender at any time, an amount equal to the sum of (a) the unused Commitment of such Lender at such time plus (b) the aggregate principal amount of such Lender's Term Loans outstanding at such time.

"Credit Party" means the Administrative Agent or any other Lender.

"Cure Election Period" has the meaning assigned to such term in Section 7.02(a).

"Cure Period" has the meaning assigned to such term in Section 7.02.

"Cure Period Start Date" means, with respect to any Cure Quarter the first day following the end of such Cure Quarter.

"Cure Quarter" has the meaning assigned to such term in Section 7.02.

"Cure Right" has the meaning assigned to such term in Section 7.02.

"Daily Simple RFR" means for any day, an interest rate per annum equal to, for any RFR Term Loan, Daily Simple SOFR.

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day that is five (5) U.S. Government Securities Business Days (with observation shift) prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Term Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Term Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party or the Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Term Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it, (d) has become the subject of a Bankruptcy Event or (e) has become the subject of a Bail-in Action.

"Devon Earn-Out Obligations" means the earnout obligations described in Section 3.1 of that certain Purchase and Sale Agreement between Devon Energy Production Company, L.P. and BKV Barnett, LLC dated December 17, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement dated April 13, 2020.

"Disposition" or "Dispose" means the sale, transfer, exchange, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any Sale and Leaseback Transaction and any issuance of Equity Interests by a subsidiary of such Person), including (a) any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith and (b) any sale of Equity Interests held by such Person.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature (excluding any maturity as a result of an optional redemption by the issuer thereof) or are mandatorily redeemable (other than solely for Qualified Equity Interests and immaterial amounts of cash in lieu of fractional shares), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to Payment in Full), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests and immaterial amounts of cash in lieu of fractional shares) (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to Payment in Full), in whole or in part, or (c) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided, that, if such Equity Interests are issued pursuant to a plan for the benefit of employees of any Loan Party or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by such Loan Party in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's death, disability or termination.

"Division" means, with respect to any Person, a division of or by such Person into two or more Persons pursuant to the laws of the jurisdiction of any such Person's organization.

"Dollar-Denominated Production Payment" means a production payment obligation recorded as a liability in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"Dollars" or "$" refers to lawful money of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02), which date is June 16, 2022.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Electronic System" means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent, any of its sub-agents, any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the or to health and safety matters (to the extent relating to human exposure to Hazardous Materials), including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of any Hazardous Material. Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 331 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300, et seq.), the Environmental Protection Agency's regulations relating to underground storage tanks (40 C.F.R. Parts 280 and 281) and the rules and regulations thereunder, each as amended or supplemented from time to time.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, registration, license, approval, consent, exemption, variance, or other authorization required under or issued pursuant to applicable Environmental Laws.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (i) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (ii) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (iii) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iv) the incurrence by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (v) the receipt by the Borrower, any of its Subsidiaries or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (vi) the incurrence by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (vii) the receipt by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower, any of its Subsidiaries or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower, any of its Subsidiaries or any ERISA Affiliate of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor

person), as in effect from time to time.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) Taxes attributable to such Recipient's failure to comply with Section 2.16(b) or, in the case of the Administrative Agent, Section 2.16(b) and (c) any withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website" or "NYFRB's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Fee Letter" means that certain fee letter dated as of the Effective Date by and between the Borrower, the Administrative Agent and each Lender party thereto.

"Financial Model" has the meaning given to such term in Section 4.01(f)(ii).

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, principal financial officer, treasurer or controller of such Person.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means a fiscal year of the Borrower ending on December 31st of any calendar year.

"Five-Year Strip Price" means, as of any date, (a) for the 60-month period commencing with the month in which such date occurs, as quoted on the New York Mercantile Exchange (the "NYMEX") and published in a nationally recognized publication for such pricing reasonably acceptable to the Administrative Agent (as such prices may be corrected or revised from time to time by the NYMEX in accordance with its rules and regulations), the corresponding monthly quoted futures contract price for months 0–60 and (b) for periods after such 60 month period, the average corresponding monthly quoted futures contract price for months 49–60; provided, however, in the event that the NYMEX no longer provides futures contract price quotes for 60 month periods, the longest period of quotes of less than 60 months shall be used to determine the strip period and held constant thereafter based on the average of contract prices for the last twelve months of such period, and, if the NYMEX no longer provides such futures contract quotes or has ceased to operate, the Administrative Agent shall designate another nationally recognized commodities exchange to replace the NYMEX for purposes of the references to the NYMEX in this definition.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple RFR, as applicable. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate and the Adjusted Daily Simple RFR shall be 0.00%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Funding Date" means any date of which Term Loans are funded to the Borrower pursuant to Section 2.02 (including the Initial Funding Date).

"Funds Flow Memorandum" means a memorandum setting forth the flow of funds for the Transactions to occur on the Initial Funding Date, in form and substance satisfactory to the Administrative Agent.

"GAAP" means generally accepted accounting principles in the United States of America, consistently applied.

"Governmental Authority" means the government of the United States of America, the government of the Kingdom of Thailand (and, in each case, any other nation or any political subdivision thereof, whether state or local) and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any self-regulatory authority, such as the National Association of Insurance Commissioners, and any supra-national bodies, such as the European Union or the European Central Bank).

"Governmental Requirement" means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, rules of common law, authorization or other directive or requirement, whether now or hereinafter in effect, of any Governmental Authority.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" means a Subsidiary Guarantor.

"Guaranty Agreement" means that certain Guaranty Agreement (including any and all supplements thereto), to be dated as of the Initial Availability Date, among the Guarantors and the Administrative Agent.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law, including materials listed in 49 C.F.R. § 172.101, materials defined as hazardous pursuant to § 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Hydrocarbon Interests" means all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, fee interests, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature and all rents, profits, proceeds, products, revenues and other incomes from or attributable to any of the foregoing interests. Unless otherwise expressly provided herein, all references in this Agreement to "Hydrocarbon Interests" refer to Hydrocarbon Interests owned at the time in question by the Loan Parties.

"Hydrocarbons" means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and all products refined or separated therefrom and all other minerals which may be produced and saved from or attributable to the Oil and Gas Properties of any Person, including all oil in tanks.

"Immaterial Title Deficiencies" means minor defects or deficiencies in title which do not diminish by more than 5% the total value of the Proved Oil and Gas Properties evaluated in the Reserve Report most recently delivered pursuant to the terms of this Agreement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of Disqualified Equity Interests, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business that are either (x) not overdue by more than ninety (90) days or (y) are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP)), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed (but to the extent such Indebtedness is limited in recourse with respect to such Person, the amount of such Indebtedness shall be limited to the greater of (i) the fair market value of such Property subject to such Lien and (ii) the principal amount of the obligations or liability with respect to which recourse exists to such Person), (g) all Guarantees by such Person of Indebtedness of others to the extent of the lesser of the amount of such Indebtedness and the maximum stated amount of such Guarantee, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, made more than one month in advance of the month in which the commodities, goods or services are to be delivered, other than Swap Agreements and obligations relating to gas balancing arrangements in the ordinary course of business, (l) the undischarged balance of any Production Payment created by such Person and (m) any other preferential arrangement in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. Indebtedness shall not include (i) liabilities resulting from endorsements of negotiable instruments for collection in the ordinary course of business, (ii) obligations in respect of Swap Agreements, (iii) earnout obligations unless such obligations become a liability on the balance sheet of such Person in accordance with GAAP or (iv) any liabilities associated with minimum revenue commitments or minimum volume commitments.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) hereof, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Ineligible Institution" has the meaning assigned to such term in Section 9.04(b).

"Initial Availability Date" means the date on which the conditions specified in Section 4.02 are satisfied (or waived in accordance with Section 9.02).

"Initial Funding Date" means the initial Funding Date under this Agreement.

"Initial Funding Date Account" has the meaning assigned to such term in Section 2.03.

"Initial Reserve Reports" means, collectively, (a) the engineering report prepared by the Borrower and audited by Ryder Scott Company, L.P. in form reasonably acceptable to the Administrative Agent, setting forth, as of December 31, 2021, the oil and gas reserves attributable to the Proved Oil and Gas Properties of the Borrower and its Subsidiaries and (b) the engineering report prepared by the Borrower and audited by Ryder Scott Company, L.P. in form reasonably acceptable to the Administrative Agent, setting forth, as of February 1, 2022, the oil and gas reserves attributable to the XTO Acquired Assets, in each case, together with a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date, based upon economic assumptions reasonably acceptable to the Administrative Agent.

"Interest Payment Date" means (a) with respect to any ABR Term Loan, the last Business Day of each March, June, September and December, (b) with respect to any Term Benchmark Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and (c) the Maturity Date.

"Interest Period" means, for any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is six (6) months thereafter (in each case, subject to the availability of the Benchmark applicable to the relevant Term Loan); *provided* that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.11(e) shall be available for specification in any Borrowing Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investment" means, as applied to any Person, any direct or indirect (a) purchase or other acquisition (including pursuant to any merger or consolidation with any Person) of any Equity Interests, evidences of Indebtedness or other securities of any other Person, (b) loan or advance made by such Person to any other Person, (c) Guarantee, assumption or other incurrence of liability by such Person of or for any Indebtedness or other obligations of any other Person, (d) capital contribution or other investment by such Person in any other Person or (e) purchase or other acquisition (in one transaction or a series of transactions) of any Oil and Gas Properties or midstream, downstream, carbon capture, utilization and storage (CCUS), or solar properties of another Person or any other assets of any other Person constituting a business unit.

"IRS" means the United States Internal Revenue Service.

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Lenders" means the Term Lenders.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge in the nature of a security interest or other security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities and (d) any arrangement under which money for the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts.

"Loan Documents" means this Agreement, any Notes, the Guaranty Agreement, the Agency Fee Letter, the Fee Letter, the Borrowing Request, the Funds Flow Memorandum, the Utilization Receipt, the Subordination Agreement, all other agreements, instruments, documents and certificates executed and delivered by or on behalf of any of the Loan Parties or any of their respective Subsidiaries to, or in favor of, the Administrative Agent or any Lenders in connection with this Agreement or the transactions contemplated hereby and any other document designated in writing as a "Loan Document" by the Borrower and the Administrative Agent. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, amendments and restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrower and the Guarantors.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property (including by way of merger or consolidation) that involves the payment by the Borrower or any Subsidiary of the Borrower of consideration in excess of $25,000,000.

"Material Adverse Effect" means a material adverse effect on, or a material adverse change in, (i) the business, operations, properties, liabilities, financial or other condition of the Borrower and its Subsidiaries, taken as a whole, (ii) the ability of any of the Loan Parties to perform its obligations under any Loan Document to which it is a party, (iii) the validity or enforceability against any of the Loan Parties of any Loan Document to which it is a party or (iv) the rights and remedies of the Administrative Agent or any Lender under any of the Loan Documents.

"Material Contract" means any contract or agreement (excluding any Loan Document) of any Loan Party (a) involving monetary liability of or to

such Loan Party in any year in excess of $5,000,000, or (b) the breach, non-performance, cancellation or failure to renew of which could reasonably be expected to have a Material Adverse Effect.

"Material Disposition" means any Disposition that involves the receipt by the Borrower or any Subsidiary of the Borrower of consideration in excess of $25,000,000.

"Material Indebtedness" means (a) the Subordinated Shareholder Loans, (b) the Indebtedness incurred under any Uncommitted Credit Facility Agreement and (c) Indebtedness (other than the Term Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount (including undrawn committed or available amounts) exceeding $10,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary of the Borrower in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means the fifth anniversary of the Initial Funding Date .

"Maximum Rate" has the meaning assigned to such term is Section 9.16.

"Maximum Term Loan Amount" means $600,000,000.

"Midstream Properties" means the gathering and transportation system that is part of the XTO Acquired Assets, including Rights-of-Way.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event, including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a Disposition of an asset (including pursuant to a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Term Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all Taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

"Non-Consenting Lender" has the meaning assigned to such term is Section 9.02(d).

"Note" means a promissory note made by the Borrower in favor of a Lender which has requested promissory notes pursuant to Section 2.07(f) evidencing the Term Loans made by such Lender, substantially in the forms attached as Exhibit A and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that, if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided further* that if any of the aforesaid rates as so determined shall be less than 0.00%, such rate shall be deemed to be 0.00% for purposes of this Agreement.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Term Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and the other Loan Parties to any of the Lenders, the Administrative Agent or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Term Loans made or other obligations incurred or other instruments at any time evidencing any thereof.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Oil and Gas Properties" means (a) Hydrocarbon Interests; (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, production sales or other contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, equipment leases and other agreements which relate to any of the Hydrocarbon Interests or any interests therein or to the production, sale, purchase, exchange, processing, handling,

storage, transporting or marketing of the Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons; (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, including all compressor sites, settling ponds and equipment or pipe yards; and (g) all properties, rights, titles, interests and estates whether now owned or hereinafter acquired, that are situated upon, used or held for use in connection with the interests described or referred to above, or the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, sales and flow lines, gathering systems, field gathering systems, salt water disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, steam generation facilities, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements, servitudes, licenses and other surface and subsurface rights, together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless otherwise expressly provided herein, all references in this Agreement to "Oil and Gas Properties" refer to Oil and Gas Properties owned at the time in question by the Loan Parties.

"Organizational Documents" means (a) with respect to any corporation, the certificate or articles of incorporation and bylaws (or equivalent or comparable constitutive documents with respect to such corporation's jurisdiction) of such corporation; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement of such limited liability company; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization of such entity and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Term Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.16).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Payment Conditions" means, with respect to any Restricted Payment or Restricted Debt Payment:

(a) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, no Default or Event of Default shall have occurred and be continuing;

(b) no Restricted Payment or Restricted Debt Payment shall be made during any Fiscal Year except (i) with respect to Fiscal Year 2022, on a date that is before November 1, 2022 and (ii) with respect to subsequent Fiscal Years, on a date that is within the Specified Amount Payment Period for such Fiscal Year;

(c) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the aggregate amount of Available Cash of the Borrower and the Subsidiaries at the beginning of the related Specified Amount Payment Period is greater than $100,000,000;

(d) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the Specified Amount shall be greater than $0;

(e) at the time of such Restricted Payment or Restricted Debt Payment, the Adjusted Stockholders' Equity of the Borrower is not less than $800,000,000 (as reflected in the financial statements delivered pursuant to Section 5.01(b) with respect to the applicable Fiscal Quarter ending June 30); and

(f) the projected cash flow of the Borrower and its Subsidiaries in the Budget or Cash Reforecast most recently delivered pursuant to Section 5.01(e) (or, solely for any Restricted Payment or Restricted Debt Payment made prior to November 1, 2022, the Financial Model) reflects sufficient free cash flow to make the required payments of principal and interest on the Term Loans through the next succeeding Annual Payment Date.

"Payment in Full" or "Paid in Full" means the Commitments have expired or been terminated and the principal of and interest on each Term Loan and all fees payable hereunder and all other amounts payable under the Loan Documents (other than contingent indemnification obligations as to which no claim has been received by any Loan Party) shall have been paid in full in cash.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permits" means the collective reference to any and all franchises, licenses, leases, permits, approvals, consents, notifications, certifications, registrations, authorizations, exemptions, variances, qualifications, easements and rights of way of any Governmental Authority or third party.

"Permitted Encumbrances" means:

(a)Liens for Taxes, assessments or other governmental charges or levies that are not yet due or are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(b)carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's, operators' and other like Liens imposed by law, arising in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties and securing obligations that are not overdue by more than thirty (30) days or are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP); provided that any such Lien referred to in this clause (b) does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by any Loan Party or materially impair the value of such Property subject thereto;

(c)Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(d)deposits to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, regulatory obligations, tenders, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business or in the ordinary course in the oil and gas business generally and not in connection with the borrowing of money;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 7.01(k);

(f) zoning and land use requirements, easements, restrictions, servitudes, Permits, conditions, covenants, exceptions or reservations in any Property of any Loan Party for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and that in the aggregate do not materially impair the value of the assets encumbered thereby or materially impair the ability of any Loan Party to use such assets in its business;

(g)title and ownership interests of lessors (including sub-lessors) of Property leased by such lessors to any Loan Party, Liens and encumbrances encumbering such lessors' titles and interests in such property and to which the applicable Loan Party's leasehold interests may be subject or subordinate, in each case whether or not evidenced by Uniform Commercial Code financing statement filings or other documents of record; provided that such Liens do not secure Indebtedness of any Loan Party and do not encumber Property of any Loan Party other than the Property that is the subject of such leases and items located thereon; provided further that any such Lien referred to in this clause does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the applicable Loan Party or materially impair the value of such Property subject thereto;

(h) Liens arising solely by virtue of any statutory or common law provision or customary deposit account terms relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution; provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by any Loan Party to provide collateral to the depository institution;

(i)Liens arising solely from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements otherwise permitted under this Agreement;

(j)Liens which arise in the ordinary course of business under operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, participation agreements, division orders, contracts for the sale, transportation, gathering, or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, reversionary interests, marketing agreements, processing agreements, net profits agreements, development agreements, service agreements, supply agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business including, without limitation, all lessors' royalties, overriding royalties, net profits interests, carried interests, reversionary interests and other burdens on, or deductions from, the proceeds of production with respect to each Property (in each case) that do not operate to reduce the net revenue interest for such Property as reflected in any Reserve Report or increase the working interest for such Oil and Gas Property as reflected in any Reserve Report without a corresponding increase in the corresponding net revenue interest and that do not secure Indebtedness for borrowed money and, in each case, are for claims which are not more than 30 days delinquent or which are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(k)minor defects or other irregularities in title or zoning and other restrictions that do not secure any Indebtedness and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by any Loan Party or Subsidiary of the Borrower or materially impair the value of such Property subject thereto;

(l)consents to assignment and similar contractual provisions affecting an Oil and Gas Property, including customary preferential rights to

purchase and calls on production by sellers relating to Hydrocarbon Interests acquired by any Loan Party or Subsidiary of the Borrower;

(m)Liens (other than the granting of a security interest) pursuant to merger agreements, stock purchase agreements, asset sale agreements and similar agreements (1) limiting the transfer of properties and assets pending the consummation of the subject transaction, or (2) in respect of earnest money deposits, good faith deposits, purchase price adjustment and indemnity escrows and similar deposit or escrow arrangements made or established thereunder; and

(n)Liens, titles and interests of licensors of software and other intangible personal Property licensed by such licensors to any Loan Party or any Subsidiary of the Borrower, restrictions and prohibitions on encumbrances and transferability with respect to such Property and such Loan Party's or Subsidiary's interests therein imposed by such licenses, and Liens and encumbrances encumbering such licensors' titles and interests in such Property and to which such Loan Party's or Subsidiary's license interests may be subject or subordinate, in each case, whether or not evidenced by UCC financing statement filings or other documents of record; provided that such Liens do not secure Indebtedness of any Loan Party or any Subsidiary of the Borrower and do not encumber Property of any Loan Party or any Subsidiary of the Borrower other than the Property that is the subject of such licenses;

provided, that (i) Liens described in clauses (a), (b), (c), (h) and (j) shall remain "Permitted Encumbrances" only for so long as no action to enforce such Lien has been commenced (ii) the term "Permitted Encumbrance" shall not include any Lien securing Indebtedness for borrowed money.

"Permitted Holders" means, collectively, Banpu and any wholly-owned subsidiaries of Banpu.

"Permitted Liens" means Liens expressly permitted pursuant to Section 6.02.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petroleum Industry Standards" means the Definitions for Oil and Gas Reserves promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower, any of its Subsidiaries or any ERISA Affiliate (i) is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA or (ii) otherwise has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Prepayment Event" means:

(a)any Disposition of any property or asset of the Borrower or any of its Subsidiaries (whether in one transaction or in a series of transactions) with a fair market value in excess of $1,000,000 other than Dispositions described in clauses (a), (b), (c), (e), (f), (g), (i) and (j) of Section 6.04; or

(b) any Casualty Event; or

(c) the incurrence by the Borrower or any of its Subsidiaries of any Indebtedness, other than Indebtedness permitted un der Section 6.01.

"Prime Rate" means, as of any day, the rate last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent).

"Production Payment" means a Dollar-Denominated Production Payment or a Volumetric Production Payment.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including cash, securities, accounts and contract rights, including any Oil and Gas Property.

"Proved Oil and Gas Properties" means Oil and Gas Properties of the Loan Parties to which Proved Reserves are attributed in the Reserve Report most recently delivered at the time in question.

"Proved Reserves" means oil and gas reserves that, in accordance with the Petroleum Industry Standards, are defined and classified as "Proved Reserves", which include the following: (a) "Proved Developed Producing Reserves", (b) "Proved Developed Non-Producing Reserves" (consisting of proved developed shut-in oil and gas reserves and proved developed behind pipe oil and gas reserves) and (c) "Proved Undeveloped Reserves".

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Equity Interests.

"Qualified IPO" means any transaction or series of transactions that results in any of the common Equity Interests of the Borrower or any direct or indirect parent company of the Borrower being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or any recognized securities exchange in Canada, the United Kingdom or any country of the European Union; *provided* that a Qualified IPO shall not include a public offering pursuant to a registration statement on Form S-8.

"Qualifying Benefit Plans" means any stock option plans or other benefit plans for the benefit of employees, management and directors of the Borrower which are or have become customary in the business industry of the Borrower and which such plans have been approved in good faith by the Borrower's compensation committee (or equivalent body of the Borrower responsible for compensation).

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 6:00 a.m. (New York time) on the day that is two Business Days preceding the date of such setting, (2) if the RFR for such Benchmark is Daily Simple SOFR, then two Business Days prior to such setting or (3) if such Benchmark is none of Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 9.04(b).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents, third party advisors and representatives of such Person and such Person's Affiliates.

"Release" has the meaning set forth in CERCLA or under any other Environmental Law.

"Relevant Governmental Body" means the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB or, in each case, any successor thereto.

"Relevant Rate" means (a) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (b) with respect to any RFR Borrowing, the Adjusted Daily Simple RFR, as applicable.

"Remedial Work" has the meaning set forth in Section 5.07.

"Required Lenders" means, subject to Section 2.17, (x) if there are three or more Lenders, at least two or more Lenders having Credit Exposures representing more than 66.666666667% of the sum of the Credit Exposures of all Lenders at such time and (y) if there are fewer than three Lenders, at least one or more Lenders having Credit Exposures representing more than 66.666666667% of the sum of the Credit Exposures of all Lenders at such time. For purposes of this definition, any Lenders that are Affiliated shall be deemed to be a single Lender.

"Requirement of Law" means as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserve Report" means, collectively, (a) the Initial Reserve Reports and (b) each other report, in form and detail reasonably satisfactory to the Administrative Agent, setting forth, as of the dates set forth in Section 5.14(a), Section 5.14(b) or as otherwise indicated in this Agreement, the Proved Reserves attributable to the Oil and Gas Properties of the Borrower and the other Loan Parties located in the United States of America, together with a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date, based upon economic assumptions reasonably acceptable to the Administrative Agent.

"Reserve Report Certificate" has the meaning set forth in Section 5.14(d).

"Reserve Report Supporting Materials" shall mean, with respect to any Reserve Report, (i) a summary of the economic assumptions contained therein and any material changes from the Reserve Report most recently delivered prior to such Reserve Report, (ii) files containing the then-current ARIES database of the Loan Parties' Oil and Gas Properties and (iii) any other supporting materials as the Administrative Agent may reasonably request used to prepare such Reserve Report.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means, as to any Person, the chief executive officer, president, chief financial officer, principal accounting officer, principal financial officer, chief operating officer, controller, treasurer or assistant treasurer, or any vice president, of such Person or, in the case of a Loan Party, any other officer of such Loan Party or other authorized individual designated in writing by such Loan Party and reasonably acceptable to the Administrative Agent. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

"Restricted Debt Payment" has the meaning given to such term in Section 6.18(a).

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any of its Subsidiaries, (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any of its Subsidiaries and (c) any payment of management fees, advisory fees or similar fees by any Loan Party to any holders of Equity Interests of the Borrower.

"RFR" means for any RFR Term Loan, Daily Simple SOFR.

"RFR Term Loan" means a Term Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

"Rights-of-Way" means all permits, licenses, servitudes, easements, fee surface, surface leases, surface use agreements and rights-of-way primarily used or held for use in connection with the ownership or operation of the XTO Acquired Assets, other than permits.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person that is the subject or target of any Sanctions administered or enforced by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority, (c) the sanctions authority of the Kingdom of Thailand or (d) the sanctions authority of the Republic of Singapore.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933.

"SOFR" means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Solvent" means, in reference to any Person, (i) the fair value of the assets of such Person, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of such Person will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Person will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

"Specified Amount" means, as of any date, an amount (which shall not be less than zero) equal to (without duplication):

(a) Consolidated EBITDA, determined on a consolidated basis for the Borrower and its Subsidiaries for the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b), *plus* cash held by the Borrower and its Subsidiaries as of the commencement of such Test Period *minus* the aggregate sum of (without duplication) (i) the current portion of any Indebtedness of the Borrower and its Subsidiaries as of such date (other than the current portion of any Term Loans and any current contingent Indebtedness), (ii) the aggregate principal amount of any Indebtedness incurred pursuant to Section 6.01(i) and outstanding as of such date, and (iii) the aggregate amount of the Subject Payments and any other contingent Indebtedness and/or earnout obligations incurred by the Borrower or its Subsidiaries in connection with any Investment (other than any current contingent Indebtedness) *minus*

(b) the Consolidated Fixed Charges for the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b), *minus*

(c) any Specified Amount Utilization.

"Specified Amount Utilization" means the sum of, without duplication, the aggregate amount of Restricted Payments and Restricted Debt Payments made in reliance on Section 6.08(d) and Section 6.18(a)(ii) respectively during the period starting from the first day of the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b) and ending on such date.

"Specified Amount Payment Period" means, for any Fiscal Year, the period beginning the date that financial statements are delivered pursuant to Section 5.01(b) with respect to the Fiscal Quarter ending June 30 of such Fiscal Year and ending the date that is 90 days after June 30 of such Fiscal Year.

"Specified Contribution" means at any time, without duplication, the amount of cash proceeds received by the Borrower from (x) an issuance of Equity Interests (other than Disqualified Equity Interests), (y) a cash capital contribution or (z) the incurrence of Subordinated Shareholder PIK Loans (such cash proceeds not to be less than the principal amount of such Subordinated Shareholder PIK Loans), which is made for the exclusive purpose of curing a failure to comply with Section 6.11(b) or Section 6.11(c) that would otherwise occur, but for the exercise of a Cure Right pursuant to Section 7.02. For the avoidance of doubt, the XTO Acquisition Contribution shall not constitute a Specified Contribution.

"Specified Disposition" has the meaning assigned to such term in Section 2.08(b).

"Specified Funds" means, collectively, the following:

(a)cash generated from ordinary business operations of the Borrower or any of its Subsidiaries and not constituting (i) the proceeds of any Indebtedness, (ii) the proceeds of any issuance of Equity Interests of the Borrower (or any parent entity thereof), (iii) casualty proceeds, (iv) condemnation proceeds or (v) other proceeds that would not be included in Consolidated Net Income; and

(b) Net Proceeds from any Disposition referred to in clauses (a), (b), (c), (e), (f), (g), (i) and (j) of Section 6.04.

"Specified Total Indebtedness" means the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries referred to in clauses (a), (b), (c), (e) (but only in respect of earn-out obligations to the extent due and payable), (f) (to the extent such Lien secures Indebtedness that is of the type that would otherwise constitute Specified Total Indebtedness), (g) (to the extent such Guarantee covers Indebtedness that is of the type that would otherwise constitute Specified Total Indebtedness), (h), (i) (to the extent consisting of non-contingent reimbursement obligations in respect of letters of credit and letters of guaranty that have been drawn or funded and not reimbursed), (j) (to the extent consisting of non-contingent reimbursement obligations in respect of bankers' acceptances that have been funded and not reimbursed) of the definition of "Indebtedness" on such date, determined on a consolidated basis in accordance with GAAP and (k) all Indebtedness of the types referred to in clauses (a) through (j) above of any partnership or joint venture in which any Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Borrower or such Subsidiary.

"Subject Payments" means, collectively, the Devon Earn-Out Obligations, the First Contingent Payment (as defined in the XTO Acquisition Agreement) and the Second Contingent Payment (as defined in the XTO Acquisition Agreement).

"Subordination Agreement" means that certain Subordination Agreement, dated as of the Initial Availability Date, by and among Banpu North America Corporation, the Administrative Agent and each other Person party thereto, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Subordinated Shareholder Loan" means (a) any loan made to the Borrower by Banpu North America which (i) has a maturity date no earlier than ninety-one (91) days after the Maturity Date, (ii) is subordinated to the Obligations as to priority of payment pursuant to a subordination agreement in form and substance satisfactory to the Administrative Agent, (iii) is unsecured, (iv) provides for an all-in-yield no greater than Term SOFR plus 5.25%, (b) any Subordinated Shareholder PIK Loan and (c) the Amended and Restated Shareholder Loans.

"Subordinated Shareholder PIK Loan" means any loan made to the Borrower by Banpu North America which (a) has a maturity date no earlier than ninety-one (91) days after the Maturity Date, (b) is subordinated to the Obligations as to priority of payment pursuant to a subordination agreement in form and substance satisfactory to the Administrative Agent, (c) is unsecured, (d) provides for an all-in-yield no greater than Term SOFR plus 5.25%, and (e) which bears interest that is payable solely in kind by adding the amount of such interest to the outstanding principal amount of the Subordinated Shareholder Loan, which shall thereafter be deemed principal bearing interest.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, joint venture, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each Subsidiary of the Borrower that is a party to the Guaranty Agreement (excluding any Subsidiary released from its obligations under the Guaranty Agreement). The Subsidiary Guarantors as of the Initial Availability Date are identified as such in Schedule 3.01.

"Swap Agreement" means any agreement with respect to any collar, swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries shall be a Swap Agreement.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees

or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark", when used in reference to any Term Loan or Borrowing, refers to whether such Term Loan, or the Term Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Term SOFR Rate.

"Term Benchmark Loan" means a Term Loan that bears interest at a rate based on the Term Benchmark.

"Term Lender" means, as of any date of determination, each Lender having a Term Loan Commitment or that holds Term Loans.

"Term Loan Availability Period" means the period commencing on the Effective Date and ending six (6) months thereafter.

"Term Loan Commitment" means, as to any Term Lender, the commitment of such Term Lender to make a Term Loan in the principal amount set forth on Schedule 2.01 or in the most recent Assignment and Assumption or other documentation contemplated hereby executed by such Term Lender. The aggregate amount of the Term Loan Commitments of the Term Lenders as of the Effective Date is $600,000,000.

"Term Loans" means, collectively, the loans made pursuant to Section 2.01.

"Test Period" means any period of four consecutive Fiscal Quarters.

"Term SOFR Determination Day" has the meaning assigned to such term under the definition of "Term SOFR Reference Rate."

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing and for any tenor equal to the applicable Interest Period, the Term SOFR Reference Rate at approximately 6:00 a.m., New York time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the " Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Total Net Indebtedness" means, as of any date of determination, (a) Specified Total Indebtedness as of such date minus (b) the lesser of (i) the aggregate amount of Available Cash as of such date and (ii) $100,000,000.

"Total Net Leverage Ratio" means, as of the last day of any Test Period, the ratio of (a) Total Net Indebtedness as of such date to (b) Consolidated EBITDA for such Test Period.

"Total Proved PV-10" means, as of any date of determination, the sum of (i) the estimated market value of the Loan Parties' hedge position, discounted using an annual discount rate of 10% and (ii) the present value of estimated future revenues to be realized from the production of Hydrocarbons from the Oil and Gas Properties of the Loan Parties to which Proved Reserves are attributed as set forth in the most recent Reserve Report delivered pursuant hereto, with appropriate deductions for take or pay and other prepayments, severance and ad valorem taxes, operating, gathering, transportation and marketing expenses, and capital expenditures (including capitalized workover expenses) and plugging and abandonment costs. Each calculation of such estimated future revenues shall be made (a) using the Five-Year Strip Price, adjusted in a manner reasonably acceptable to the Administrative Agent for (i) any basis differential between the actual delivery location and the reference price delivery location and price differential between the actual product delivered and the reference product, in each case, using in each case using methodology consistent with past practices and in good faith based on observable differentials (which utilized differentials shall be, volume weighted on the basis of current and expected future arrangements for the sale of production, the lesser of (A) the average actual differentials for the last twelve months and (B) those future differentials which may be hedged by contract); and (ii) quality and gravity, (b) using costs as of the date of estimation without future escalation and without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expense and depreciation, depletion and amortization, (c) discounted using an annual discount rate of 10% and (d) to the extent not otherwise specified in the preceding clauses of this sentence, using reasonable economic assumptions consistent with such clauses. Total Proved PV-10 shall be calculated on a pro forma basis, giving effect to (i) acquisitions and Dispositions of Oil and Gas Properties consummated by the Borrower and the other Loan Parties since the date of the Reserve Report most recently delivered pursuant hereto (provided that, in the case of any acquisition of Oil and Gas Properties, the Administrative Agent shall have received a Reserve Report, in form and substance reasonably satisfactory to it, evaluating the Proved Reserves attributable thereto) and (ii) the unwind, monetization or termination of any Swap Agreement to which a Loan Party is a party, in each case occurring since the date of the Reserve Report most recently delivered pursuant hereto.

"Transactions" means (a) the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, (b) the borrowing of Term Loans and the use of the proceeds thereof, (c) the consummation of the XTO Acquisition and (d) any other transaction relating to or entered into in connection with any of the foregoing.

"Type" when used in reference to any Term Loan or Borrowing, refers to whether the rate of interest on such Term Loan, or on the Term Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted Daily Simple RFR or the Alternate Base Rate.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.14(f)(i)(B)(3).

"USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)) and the rules and regulations promulgated thereunder from time to time in effect.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Uncommitted Credit Facility Agreements" means (a) that certain Uncommitted Specific Advance Facility Letter, dated as of December 22, 2021, by and among the Borrower and Oversea-Chinese Banking Corporation Limited, Los Angeles Agency, (b) that certain Uncommitted Continuing Agreement for Standby Letters of Credit, dated as of December 22, 2021, by and among the Borrower and Oversea-Chinese Banking Corporation Limited, Los Angeles Agency, (c) that certain Facility Letter (Uncommitted), dated as of February 7, 2022, by and among Standard Chartered Bank, the Borrower, BKV Chaffee Corners, LLC, BKV Chelsea, LLC, BKV Operating, LLC and BKV Barnett, LLC and (d) that certain Promissory Note, dated as of March 11, 2022, made by the Borrower, BKV Chaffee Corners, LLC, BKV Chelsea, LLC, BKV Operating, LLC and BKV Barnett, LLC in favor of Standard Chartered Bank.

"Utilization Receipt" means documentary evidence of the Borrower's receipt of the proceeds of the Term Loans funded on any Funding Date to the deposit account provided by the Borrower in the Borrowing Request, which shall be substantially in the form attached hereto as Exhibit D-2 or any other form approved by the Administrative Agent.

"Volumetric Production Payment" means a production payment obligation recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Subsidiary" means, as to any Person, any other Person all of the Equity Interests of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

"Withholding Agent" means any Loan Party.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

"XTO Acquired Assets" means the "Assets" (as defined in the XTO Acquisition Agreement).

"XTO Acquisition Agreement" means that certain Purchase and Sale Agreement, dated as of May 18, 2022, among XTO Energy, Inc., a Delaware corporation, and Barnett Gathering, LLC, a Texas limited liability company, on the one hand, collectively, as seller (the "XTO Sellers"), and BKV North Texas, LLC, a Delaware limited liability company, and BKV Midstream, LLC, a Delaware limited liability company, on the other hand, collectively, as purchaser.

"XTO Acquisition Assignments" has the meaning assigned to such term in Section 5.18(a)(iv)

"XTO Acquisition Contribution" has the meaning assigned to such term in Section 5.18(a)(ii).

"XTO Acquisition Releases" has the meaning assigned to such term in Section 5.18(a)(iv).

"XTO Acquisition Subordinated Shareholder Loan" means the loans incurred by the Borrower pursuant to the XTO Subordinated Shareholder Loan Agreement.

"XTO Acquisition Subordinated Shareholder Loan Agreement" means that certain Amended and Restated Loan Agreement, dated as of June 15, 2022, by and between Banpu North America, as lender, and the Borrower, as borrower, pursuant to which Banpu North America made a term loan in the aggregate principal amount of $75,000,000 to the Borrower.

"XTO Acquisition Termination Date" has the meaning assign to such term in Section 2.08(e).

"XTO Sellers" has the meaning assigned to such term in the definition of "XTO Acquisition Agreement".

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word "from" means "from and including", the words "to" and "until" mean "to but excluding", and the word "through" means "to and including", (f) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (g) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03. Accounting Terms; GAAP; Pro Forma Calculations.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(b) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary of the Borrower at "fair value", as defined therein, and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(c) Except as otherwise expressly provided herein, all pro forma computations required to be made hereunder giving effect to any acquisition or Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such acquisition or Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the period of four consecutive Fiscal Quarters ending with the most recent Fiscal Quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last Fiscal Quarter included in the financial statements referred to in Section 3.04(a) and (b)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or Disposed of (but without giving effect to any synergies or cost savings) and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness).

(d) Notwithstanding anything to the contrary contained in Section 1.03(a) or in the definition of "Capital Lease Obligations," for purposes of calculations made pursuant to the terms of this Agreement or any other Loan Document, GAAP will be deemed to treat leases (whether or not such leases were in effect on such date) that would have been classified as operating leases in accordance with GAAP as in effect on December 31, 2018 in a manner consistent with the treatment of such leases under GAAP as in effect on December 31, 2018, notwithstanding any modifications or interpretive changes thereto that may occur thereafter.

SECTION 1.04. Interest Rates; Benchmark Notification. The interest rate on a Term Loan may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.11(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.05. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Term Lender (severally and not jointly) agrees to make Term Loans to the Borrower in Dollars from time to time on any Business Day during the Term Loan Availability Period; provided that (a) the principal amount of any Term Loan made by any Term Lender on any Funding Date shall not exceed the then-available Term Loan Commitment of such Lender (immediately prior to giving effect to the making of such Term Loan) and (b) the aggregate principal amount of all Term Loans made by the Term Lenders during the Term Loan Availability Period shall not exceed the Maximum Term Loan Amount. Amounts repaid or prepaid in respect of the Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings.

(a) Each Term Loan shall be made as part of a Borrowing consisting entirely of Term Benchmark Loans as the Borrower may request in accordance herewith made by the applicable Lenders ratably in accordance with their respective Term Loan Commitments. The failure of any Lender to make any Term Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Term Loans as required.

(b) Subject to Section 2.11, each Borrowing shall be comprised entirely of Term Benchmark Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Term Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Term Loan (and in the case of an Affiliate, the provisions of Sections 2.12 and 2.14 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Term Loan in accordance with the terms of this Agreement.

(c) Each Borrowing of Term Loans shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by delivering to the Administrative Agent a Borrowing Request signed by the Borrower not later than 11:00 a.m., New York City time three (3) Business Days before the date of the proposed Borrowing (or such later time as may be otherwise approved by the Administrative Agent in its sole discretion); provided that, notwithstanding anything to the contrary herein, no Borrowing Request may be delivered prior to the Initial Availability Date. Each such written Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate principal amount of the requested Borrowing, which shall comply with the requirements of Section 2.02(c);

(ii) the date of such Borrowing, which shall be a Business Day; and

(iii) the location and number of the Borrower's account or such other account or accounts to which funds are to be disbursed (provided that the proceeds of Term Loans made on the Initial Funding Date shall be deposited into an account of the Borrower held at the Administrative Agent) (such account, the "Initial Funding Date Account").

Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Term Loan to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings.

(a) Each Lender shall make each Term Loan to be made by it hereunder on the relevant Funding Date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Term Loans available to the Borrower by promptly wiring the amounts of all requested funds so received, in like funds, to an account of the Borrower (or to such other account) designated by the Borrower in the applicable Borrowing Request on the applicable Funding Date.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may (but shall have no obligation to do so), in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to the Term Loans comprising such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Term Loan included in such Borrowing.

SECTION 2.05. Interest Rate.

(a) Each Borrowing shall be a Term Benchmark Borrowing and shall have an Interest Period of six (6) months. There shall be no more than five (5) Term Benchmark Borrowings at any time.

(b) At the end of each Interest Period, each Borrowing shall be continued as a Term Benchmark Borrowing, with a new Interest Period immediately beginning at the end of the prior Interest Period.

SECTION 2.06. Termination and Reduction of Term Loan Commitments .

(a) The Term Loan Commitments shall be permanently reduced on any Funding Date by the principal amount of Term Loans made on such Funding Date, such reduction to be effective immediately after the funding of such Term Loans. Unless previously terminated, the Term Loan Commitments shall terminate on the earlier of (a) the Commitment Expiration Date and (b) if the XTO Acquisition is not consummated on or prior to the date that is four (4) Business Days after the Initial Funding Date, the XTO Acquisition Termination Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Term Loan Commitments; provided that each partial reduction of the Term Loan Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000.

(c) The Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce the Term Loan Commitments under paragraph (b) of this Section by 12:00 p.m., New York City time, at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this paragraph (c) shall be irrevocable; provided that a notice of termination of the Term Loan Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Term Loan Commitments shall be permanent. Each reduction of the Term Loan Commitments shall be made ratably among the Term Lenders in accordance with their respective Term Loan Commitments.

(d) Without limiting any other obligation to pay fees and expenses hereunder, any commitment fees accrued pursuant to Section 2.09 until the effective date of any termination of Term Loan Commitments shall be paid on the effective date of such termination.

SECTION 2.07. Repayment of Loans; Evidence of Debt.

(a) On each Annual Payment Date, the Borrower shall repay the Term Loans in an amount equal to 20.0% of the aggregate principal amount of the Term Loans outstanding at the end of the Commitment Expiration Date (such aggregate principal amount, the "Amortization Base Amount"), with each installment due on any such Annual Payment Date subject to adjustment as a result of any prepayment pursuant to Section 2.08 as provided therein. The Applicable Prepayment Premium shall not apply to repayment of the Term Loans pursuant to this Section 2.07(a).

(b) To the extent not previously repaid, the outstanding principal amount of the Term Loans shall be paid in full in Dollars by the Borrower on the Maturity Date.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Term Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Term Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(e) The Register and the corresponding entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the Obligations. If any conflict exists between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

(f) Any Lender may request that Term Loans made by it be evidenced by a Note or Notes. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note or Notes payable to such Lender or its registered assigns and substantially in the form of Exhibit A. Thereafter, the Term Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more Notes in such form payable to the payee or its registered assigns.

SECTION 2.08. Prepayment of Loans.

(a) Voluntary Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior written notice in accordance with the provisions of this Section 2.08(a). The Borrower shall notify the Administrative Agent by written notice of any prepayment hereunder not later than 1:00 p.m., New York City time, fifteen (15) Business Days before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of voluntary prepayment of all Loans then outstanding at any time delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by written notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a voluntary prepayment of a Borrowing, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Term Loans shall be an integral multiple of $1,000,000 and not less than $5,000,000. Each voluntary prepayment of a Borrowing pursuant to this Section 2.08(a) shall be applied ratably to the Term Loans included in the prepaid Borrowing in inverse order of maturity. Each voluntary prepayment shall be accompanied by the Applicable Prepayment Premium; provided that the Applicable Prepayment Premium shall not apply to any portion of any such voluntary prepayment made with Specified Funds.

(b) Mandatory Prepayments (Prepayment Events). In the event and on each occasion that any Net Proceeds are received by the Borrower or any of its Subsidiaries in respect of any Prepayment Event, the Borrower shall, on the same day that such Net Proceeds are received in the case of a Prepayment Event described in clause (c) of the definition thereof and within three (3) Business Days after such Net Proceeds are received in the case of all other Prepayment Events, prepay the Term Loans in an aggregate amount equal to 100% of such Net Proceeds; provided that, (i) in the case of any Disposition or other Prepayment Event described in clause (a) or (b) of the definition of the term "Prepayment Event" (each, a "Specified Disposition"), no such prepayment shall be required unless the consideration received by the Borrower and its Subsidiaries in respect of such Disposition, together with all other Specified Dispositions consummated since the Effective Date, exceeds $25,000,000. Each prepayment pursuant to this Section 2.08(b) shall be applied ratably to the Term Loans. Each prepayment pursuant to this Section 2.08(b) shall be accompanied by, in the case of a prepayment resulting from an event of the type described in clauses (a) and (c) of the definition of "Prepayment Event", the Applicable Prepayment Premium. Each prepayment of Term Loans made pursuant to this Section 2.08(b) shall be applied against the remaining scheduled installments of principal due in respect of such Term Loans in inverse order of maturity.

(c) Mandatory Prepayments (Illegality). If, in any applicable jurisdiction, it becomes unlawful under any Law (or any Governmental Authority has asserted that it is unlawful) for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain any Term Loan:

(i) such Lender shall promptly notify the Administrative Agent upon becoming aware of that event (and the Administrative Agent shall promptly notify the Borrower in writing); and

(ii) upon the Administrative Agent notifying the Borrower, (i) the Commitments of such Lender will be immediately terminated; and (ii) the Borrower shall prepay all Loans of such Lender either on the last day of the Interest Period thereof, if such Lender may lawfully continue to maintain such Loan, or immediately, if such Lender may not lawfully continue to maintain such Loan.

(d) Mandatory Prepayments (Specified Contributions). In the event and on each occasion that the Borrower receives any Specified Contribution, the Borrower shall, no later than the Business Day after such Specified Contribution is received by the Borrower, prepay the Term Loans in an aggregate amount equal to 100% of such Specified Contribution. For the avoidance of doubt, the Applicable Prepayment Premium shall not apply to any mandatory prepayments made under this Section 2.08(d). Each prepayment pursuant to this Section 2.08(d) shall be applied ratably to the Term Loans. Each prepayment of Term Loans made pursuant to this Section 2.08(d) shall be applied against the remaining scheduled installments of principal due in respect of such Term Loans in inverse order of maturity.

(e) Mandatory Prepayments (Failure of XTO Acquisition to Occur). In the event that the XTO Acquisition is not consummated on or prior to the date that is four (4) Business Days after the Initial Funding Date, the Borrower shall, on the date is that five (5) Business Days after the Initial Funding Date

(the "XTO Acquisition Termination Date"), prepay all then-outstanding Term Loans and any other Obligations owing hereunder shall be Paid in Full by the Borrower.

(f) Notice of Prepayment. The Borrower shall notify the Administrative Agent in writing of any prepayment under Section 2.08 (other than under Section 2.08(e)) not later than 1:00 p.m. New York City time, fifteen (15) Business Days (or, in respect of a prepayment as a result of an event described in clause (c) of the definition of "Prepayment Event", one (1) Business Day) prior to the date of prepayment (including, with respect to any prepayment under Section 2.08(c), reasonably detailed calculations of the Asset Coverage Ratio, the Fixed Charge Coverage Ratio or the Total Leverage Ratio, as applicable, as of such date after giving effect to such prepayment). Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and a reasonably detailed calculation of the amount of such prepayment.

(g) Interest; Breakfunding. All prepayments, whether voluntary or mandatory, pursuant to this Section 2.08 shall be accompanied by accrued interest to the extent required by Section 2.10(d) and any break funding payments required by Section 2.18.

SECTION 2.09. Fees.

(a) Agency Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent, including pursuant to the Agency Fee Letter.

(b) Lender Fees. The Borrower agrees to pay to the Administrative Agent for the account of each Lender fees payable pursuant to the Fee Letter.

SECTION 2.10. Interest.

(a) The Term Loans shall bear interest at a rate per annum equal to the Adjusted Term SOFR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate, but in no event to exceed the Maximum Rate.

(b) Reserved.

(c) Notwithstanding the foregoing, during the occurrence and continuance of any Event of Default, all Term Loans and other amounts outstanding hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of principal of any Term Loan outstanding hereunder, 2.0% plus the rate otherwise applicable to such Term Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.0% plus the rate applicable to Term Benchmark Loans as provided in Section 2.10(a), but in no event to exceed the Maximum Rate.

(d) Accrued interest on each Term Loan shall be payable in arrears on each Interest Payment Date for such Term Loan and on the Maturity Date; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Term Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Adjusted Daily Simple RFR or Daily Simple SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.11, if:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including, without limitation, because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR or Daily Simple SOFR for an RFR Term Loan;

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing that the Adjusted Term SOFR Rate for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period, or (B) at any time, the applicable Adjusted Daily Simple RFR for an RFR Term Loan will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Term Loans included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders through any Electronic System as provided in Section 9.01 as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple RFR is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR also is the subject of Section 2.11(a)(i) or (ii) above, on such day, and (2) any RFR Term Loan shall on and from such day be

converted by the Administrative Agent to, and shall constitute an ABR Term Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, in connection with the implementation of any Benchmark Replacement, the Administrative Agent (in consultation with the Borrower) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action by or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 1 or in any related definitions.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing and any conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to (i) with respect to any Term Benchmark Borrowing, an RFR Borrowing so long as the Adjusted Daily Simple RFR is not the subject of a Benchmark Transition Event or (ii) an ABR Borrowing if the Adjusted Daily Simple RFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Term Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Term Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.11, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple RFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR is the subject of a Benchmark Transition Event, on such day and (2) any RFR Term Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Term Loan.

SECTION 2.12. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender;

(ii) impose on any Lender or the relevant interbank market any other condition, cost or expense (in each case, other than Taxes) affecting this Agreement or Term Loans made by such Lender; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (c) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits,

reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Term Loan or of maintaining its obligation to make any such Term Loan or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Term Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Reserved.

SECTION 2.14. Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings of Indemnified Taxes applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. On or prior to the last Business Day in February of each calendar year, Borrower shall deliver to the Administrative Agent (for distribution to Lenders) a duly completed IRS Form 1042-S (Copies B, C and D marked for recipient) or any amended or successor version of such form, together with a copy of IRS Form 1042-S (Copy A marked for United States Internal Revenue Service) or any amended or successor version of such form, as filed with the United States Internal Revenue Service by Borrower, stamped as received by the United States Internal Revenue Service or certified as a true copy by an officer of Borrower, and such other supporting documentation evidencing the withholding Tax paid by any Loan Party for the immediately preceding calendar year that Administrative Agent and Lenders may reasonably require to claim a tax credit (including any further certification by an officer of Borrower). Each such IRS Form 1042-S (or any amended or successor version of such form) and other supporting documentation, as applicable, shall specify at least the following information: (A) the name of the taxpayer, (B) the particulars of the income for such immediately preceding calendar year, and (C) the amount of the withholding Tax paid for such immediately preceding calendar year.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the

Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(f)(i)(A), 2.14(f)(i)(B) and 2.14(f)(i)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.14, the term "applicable law" includes FATCA.

SECTION 2.15. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Set-offs .

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12 or 2.14, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent's account most recently designated by it to the Borrower, except that payments pursuant to Sections 2.08(c), 2.12, 2.14 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest and fees, interest and fees thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due, and expenses then reimbursable, hereunder, such funds shall be applied towards payment of the amounts then so due or reimbursable as follows:

(i) first, to payment or reimbursement of that portion of the Obligations constituting fees, expenses, indemnities and other amounts payable to the Administrative Agent in its capacity as such;

(ii) second, ratably to payment or reimbursement of that portion of the Obligations constituting fees, expenses, indemnities and other amounts (other than principal, interest and premium) payable to the Lenders;

(iii) third, ratably to payment of accrued interest on the Term Loans;

(iv) fourth, ratably to payment of principal on the Term Loans and the Applicable Prepayment Premium;

(v) fifth, ratably to the payment of any other Obligations.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Term Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Term Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Term Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Term Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Term Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the relevant Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may

assume that the Borrower has made such payment on such date in accordance herewith and may (but will not be obligated to), in reliance upon such assumption, distribute to the relevant Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders .

(a) If any Lender requests compensation under Section 2.12, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Term Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Sections 2.12 or 2.14) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.04(b)(ii)(C), (iii) such Lender shall have received payment of an amount equal to the outstanding principal of its Term Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including, for the avoidance of doubt, any Prepayment Premium) and under the other Loan Documents, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iv) such assignment does not conflict with applicable law, and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Notwithstanding anything in this Section 2.16 to the contrary, the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.05.

SECTION 2.17. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) the Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that, except as otherwise provided in Section 9.02, this clause (a) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby; and

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Term Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Term Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Term Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Term Loans were made at a time when the conditions set forth in Section 4.03 or Section 4.04 were satisfied or waived, such payment shall be applied solely to pay the Term Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Term Loans of such Defaulting Lender until such time as all Term Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties

hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Term Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Term Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon, such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 2.18. Break Funding Payments. In the event of (a) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Term Loans), (b) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08 and is revoked in accordance therewith), or (d) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16 then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. The Borrower and its Subsidiaries are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, have all requisite power and authority to carry on their business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. As of the Effective Date, Schedule 3.01 hereto identifies the Borrower and each Subsidiary of the Borrower, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the equity holders of the Borrower, the Borrower and the other Subsidiaries of the Borrower and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of the Borrower and each Subsidiary of the Borrower are validly issued and outstanding and fully paid and nonassessable and, as of the Effective Date, all such shares and other equity interests indicated on Schedule 3.01 as owned by the equity holders of the Borrower, the Borrower or another Subsidiary of the Borrower are owned, beneficially and of record, by such equity holders of the Borrower, the Borrower or such Subsidiary free and clear of all Liens. As of the Initial Availability Date, each Subsidiary of the Borrower is a Guarantor.

SECTION 3.02. Authorization; Enforceability. (a) The Transactions are within each Loan Party's organizational powers and (b) the Loan Documents are admissible in evidence in each court with proper jurisdiction over the relevant Loan Parties, and each of the foregoing clauses (a) and (b) have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other material action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect (b) will not violate any applicable material Governmental Requirement or the Organizational Documents of the Borrower or any of its Subsidiaries, (c) will not violate or result in a default under any indenture, agreement or other instrument in respect of any Material Indebtedness binding upon the Borrower or any of its Subsidiaries or its assets (other than the Loan Documents), or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) All financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Since December 31, 2021, there has been no material adverse change in the business, operations, Properties, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole.

(c) The Financial Model was prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed by management of the Borrower to be reasonable at the time made and at the time so furnished (it being recognized that the Financial Model is not to be viewed as facts and is subject to significant uncertainties and contingencies many of which are beyond the Borrower's control, that no assurance can be given that any particular financial projections (including the base case financial model) will be realized, that actual results may differ from projected results and that such differences may be material).

SECTION 3.05. Maintenance of Properties. Except for such acts or failures to act as could not reasonably be expected to have a Material Adverse Effect, with respect to the Proved Oil and Gas Properties (and Properties unitized therewith) of the Loan Parties (a) operated by the Borrower or any of its Subsidiaries, such Properties have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Governmental Requirements and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of such Oil and Gas Properties or (b) operated by any third party, the Borrower and each other Loan Party have used their respective commercially reasonable efforts to cause such Properties to be so maintained, operated and developed. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (i) none of such Oil and Gas Properties of the Loan Parties is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (ii) no well comprising a part of such Oil and Gas Properties (or Properties unitized therewith) of the Loan Parties is in violation of applicable Governmental Requirements, and such wells are producing from, and the well bores are wholly within, such Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties). All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by the Loan Parties that are necessary to conduct normal operations are being, or in the case of such pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment the maintenance of which is performed by a third-party operator, the Borrower and each other Loan Party is using commercially reasonable efforts to cause such items to be, and to the Borrower's knowledge such items are, maintained in a state adequate to conduct normal operations (other than those the failure of which to maintain in accordance with this Section 3.05, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect).

SECTION 3.06. Litigation and Environmental Matters.

(a) There are no investigations by or before any arbitrator or Governmental Authority pending against, actions, suits, proceedings or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Subsidiaries (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (ii) that challenge the validity of any of the Loan Documents or (iii) that could affect a material portion of the Properties of Borrower or any of its Subsidiaries when taken as a whole.

(b) Except for such matters as set forth on Schedule 3.06 or that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(i) the Properties of the Borrower and its Subsidiaries are in compliance with all applicable Environmental Laws, the Borrower and its Subsidiaries have operated their respective Properties in compliance with all applicable Environmental Laws, and to the knowledge of the Borrower, such Properties were operated in compliance with applicable Environmental Laws prior to the acquisition thereof by the Borrower or the applicable Subsidiary;

(ii) the Borrower and its Subsidiaries have obtained all Environmental Permits required for their respective operations and each of their Properties, with all such Environmental Permits being currently in full force and effect, and none of Borrower or any other Subsidiary has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be protested or denied;

(iii) there are no claims, written demands, suits, orders, investigations, requests for information by a Governmental Authority or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Law that is pending or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries arising from the ownership or operation of their respective Properties, and to the knowledge of the Borrower, there are no conditions or circumstances that are reasonably expected to result in the receipt of such claims, written demands, suits, orders, investigations, requests for information or proceedings;

(iv) to the knowledge of the Borrower, none of the Properties of the Borrower or any Subsidiary contain any: (i) regulated underground storage tanks; (ii) friable asbestos-containing materials; (iii) landfills or dumps; (iv) hazardous waste management units as defined pursuant to the Resource Conservation and Recovery Act of 1976 or any comparable state law; or (v) sites on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law;

(v) since the acquisition by the Borrower or any Subsidiary of any Property, or to the knowledge of the Borrower prior to such acquisition, there has been no Release or threatened Release at any of the Properties of the Borrower and its Subsidiaries that would reasonably be expected to result in liability to, or require Remedial Work by, the Borrower or any of its Subsidiaries at any such Properties pursuant to applicable Environmental Law; and there is no on-going Remedial Work at any of such Properties;

(vi) neither the Borrower nor any of its Subsidiaries has received any written notice asserting the alleged liability or obligation of the Borrower or any of its Subsidiaries under any applicable Environmental Laws with respect to the presence of Hazardous Materials at, under or Released or threatened to be Released from any Properties offsite the Properties of the Borrower and its Subsidiaries; and

(vii) to the knowledge of the Borrower, there has been no exposure of any Person or Property to any Hazardous Materials as a result of the operations of any of the Properties of the Borrower and its Subsidiaries that would reasonably be expected to result in damages or compensation against the Borrower or any of its Subsidiaries.

(c) Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, there are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened in writing. Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, the hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters.

Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, all payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all Governmental Requirements applicable to it or its Property and all indentures, agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, except in each case where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes.

(a) Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all material Taxes required to have been paid by it except Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP (to the extent required by GAAP).

(b) Under the laws of the country of Thailand, it is not necessary that any of the Loan Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation the Loan Documents other than a stamp duty of Baht 10,000 payable on an executed copy of this Agreement (and a stamp duty of Baht 5 for each counterparty thereof) which must be paid within fifteen (15) days of execution if executed in Thailand or within 30 days of the original being taken into Thailand if executed outside Thailand.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. None of the reports, financial statements, certificates or other written information (other than information of a general economic or industry specific nature) furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, geological and geophysical data, engineering projections and other forward looking information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being understood that such projections are as to future events and are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, and that no assurance can be given that such projections will be realized and actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and it being further understood that projections concerning volumes attributable to the Oil and Gas Properties of the Loan Parties and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Loan Parties do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate).

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Term Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. Liens. There are no Liens on any of the Properties of the Borrower or any of its Subsidiaries except for Liens permitted by Section 6.02.

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15. Indebtedness with Banpu. As of the Effective Date and the Initial Funding Date, there does not exist any Indebtedness owing to Banpu or any Affiliate thereof (including Banpu North America, but excluding the Borrower or any Subsidiary thereof) by the Borrower or any other Loan Party, other than (a) the Amended and Restated Shareholder Loans and (b) the loans made under the BKV-Temple Loan Agreement.

SECTION 3.16. Solvency. Immediately after the consummation of the Transactions to occur on the Effective Date and the Initial Availability Date and on the date of any Borrowing hereunder, the Borrower individually and the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

SECTION 3.17. Insurance. The Borrower maintains, and has caused each of its Subsidiaries to maintain, with financially sound and reputable insurance companies, insurance as required by Section 5.12 on all of their Property in such amounts, subject to such deductibles and self-insurance retentions and covering such Properties and risks as are adequate and customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 3.18. Pari Passu Ranking. The obligations of each Loan Party under the Loan Documents to which it is a party rank at least equally with all of the unsecured and unsubordinated Indebtedness of such Loan Party, except liabilities mandatorily (and not consensually) preferred by law, and ahead of all subordinated indebtedness, if any, of such Loan Party.

SECTION 3.19. Anti-Corruption Laws; USA PATRIOT Act; Anti-Terrorism Laws and Sanctions.

(a) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, the

Subsidiaries, BKV-BPP and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

(b) The Borrower, the Subsidiaries, BKV-BPP, their respective officers and employees and, to the knowledge of the Borrower, their respective directors and agents are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not engaged in any activity that would reasonably be expected to result in any of the Borrower, the Subsidiaries or BKV-BPP being designated as a Sanctioned Person.

(c) None of (x) the Borrower, any Subsidiary, BKV-BPP or any of their respective directors, officers or employees, or (y) to the knowledge of the Borrower, any agent of the Borrower that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. The Borrower will not directly or indirectly use the proceeds from the Term Loans or lend, contribute or otherwise make available such proceeds to the Borrower, any Subsidiary, BKV-BPP, joint venture partner or other Person, for the purpose of financing the activities of any Person subject to any applicable Sanctions.

SECTION 3.20. Use of Proceeds. The Borrower will use the proceeds of the Term Loans solely to finance the XTO Acquisition (including all costs and expenses in connection therewith). No part of the proceeds of any Term Loan will be used, whether directly or indirectly, (x) for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X or (y) to repay any Subordinated Shareholder Loan.

SECTION 3.21. Material Contracts. No Loan Party is in breach of any Material Contracts. Each Material Contract is enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.22. Properties; Title; Etc.

(a) Each of the Loan Parties has defensible title (subject to Immaterial Title Deficiencies) to the Proved Oil and Gas Properties evaluated in the most recently delivered Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms). Each of the Loan Parties has good title to, or valid leasehold interests in, licenses of, or rights to use, all of its material personal Properties (except for those Properties that have been Disposed of from time to time after the Effective Date in accordance with this Agreement and any leases which have expired in accordance with their terms), free and clear of all Liens except for Permitted Liens. After giving full effect to such Permitted Liens, Immaterial Title Deficiencies, any Dispositions of Properties made after the Effective Date in accordance with this Agreement and any leases which have expired in accordance with their terms, the Loan Party specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms), and except as otherwise provided by statute, regulation or the provisions of any applicable joint operating agreement, unitization agreement or other similar agreement, the ownership of such Properties shall not in any material respect obligate such Loan Party to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of such Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in such Loan Party's net revenue interest in such Property.

(b) Except for matters that could not reasonably be expected to have a Material Adverse Effect, (i) all leases and agreements necessary for the conduct of the business of the Loan Parties are valid and subsisting and in full force and effect and (ii) there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases.

(c) Each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property used in its business except where any such failure to own or be licensed to use (including the granting of licenses), individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and the use thereof by such Loan Party does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Loan Parties either own or have valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons, with such exceptions as could not reasonably be expected to have a Material Adverse Effect.

(d) All of the Properties of the Borrower and its Subsidiaries which are reasonably necessary for the operation of their businesses are in good working condition (ordinary wear and tear and casualty events excepted) and are maintained in accordance with prudent business standards.

SECTION 3.23. Gas Imbalances; Prepayments. On a net basis there are no gas imbalances, take-or-pay or other prepayments with respect to the Proved Oil and Gas Properties of the Loan Parties which would require any Loan Party to deliver Hydrocarbons either generally or produced from Oil and Gas Properties at some future date with a value of $5,000,000 or more, which, in the case of imbalances would be satisfied no later than forty five (45) days after being incurred.

SECTION3.24. Marketing of Production. Except for contracts listed and in effect on the date hereof on Schedule 3.24, or thereafter either disclosed in writing to the Administrative Agent or included in the most recently delivered Reserve Report (with respect to all of which contracts the Borrower represents that it or another Loan Party is receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the Property's delivery capacity), no Loan Party is a party to a material agreement that is not cancelable on sixty (60)days' notice or less without penalty or detriment for the sale of production from the Loan Parties' Hydrocarbons (including calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a)pertains to the sale of production at a

fixed price (excluding a fixed differential) and (b)has a maturity or expiry date of longer than six (6)months from the date of such disclosure or the date of such Reserve Report, as applicable.

SECTION 3.25. Swap Agreements. Schedule 3.25 sets forth a true and complete list of all Swap Agreements of the Loan Parties in effect as of the Effective Date, the material terms thereof (including the type, effective date, term or termination date and notional amounts or volumes), the estimated net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied) and the counterparty to each such agreement, which such counterparty is an Approved Swap Counterparty.

SECTION 3.26. Ad Valorem and Severance Taxes. Except to the extent that the failure to pay or discharge would not reasonably be expected to result in a loss or forfeiture of any material Oil and Gas Property of the Loan Parties, each of the Loan Parties has paid and discharged all ad valorem Taxes that are payable and have been assessed against its Oil and Gas Properties or any part thereof and all production, severance and other Taxes that are payable and have been assessed against, or measured by, the production or the value, or proceeds, of the production therefrom, other than Taxes that are being contested in accordance with the provisions of Section 5.04.

SECTION3.27. Beneficial Ownership Certification. As of the Effective Date, all of the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. This Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement. The Administrative Agent shall have received from each party hereto counterparts (in such number as may be requested by the Administrative Agent) of this Agreement signed on behalf of such party.

(b) Closing Certificates. The Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) Officer's Certificate. A certificate from a Responsible Officer of the Borrower, certifying that the conditions specified in Sections 4.01(c) have been satisfied.

(ii) Secretary's Certificate. A certificate from the secretary of the Borrower (or if the Borrower does not have a secretary, a Responsible Officer) certifying as to the incumbency and genuineness of the signature of each Responsible Officer of the Borrower executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation (or equivalent) of the Borrower and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority (to the extent available) in its jurisdiction of incorporation (or equivalent), (B)the bylaws or other governing document of the Borrower as in effect on the Effective Date (including all amendments thereto and such amendments as reasonably requested by the Administrative Agent), (C)resolutions duly adopted by the board of directors (or other governing body) of the Borrower authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is or will be a party, and (D) each certificate required to be delivered pursuant to Section 4.01(b)(iii).

(iii) Certificates of Good Standing. To the extent available, certificates as of a recent date as to the good standing of the Borrower under the laws of its jurisdiction of incorporation, (or equivalent) and, to the extent requested by the Administrative Agent, each other jurisdiction where the Borrower owns Oil and Gas Properties or is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that the Borrower has filed required tax returns and owes no delinquent taxes.

(c) Representations and Warranties; Defaults; Material Adverse Effect.

(i) The representations and warranties of the Borrower and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the Effective Date (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

(ii) At the time of and immediately after giving effect to the Transactions to occur on the Effective Date, no Default or Event of Default shall have occurred and be continuing.

(iii) Since December31, 2021, there has not occurred any event, development or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect.

(d) Fee Letters. The Administration Agent shall have received a fully executed Fee Letter and a fully executed Agency Fee Letter.

(e) Miscellaneous.

(i) USA PATRIOT Act, Etc. Each Loan Party shall have provided to the Administrative Agent and the Lenders at least five (5)Business Days prior to the Effective Date the documentation and other information requested by the Administrative Agent or any Lender in order to comply with requirements of the USA PATRIOT Act and applicable "know your customer" and anti-money laundering rulesand regulations, including but not limited to the Borrower's FormW-9. If the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, it shall have delivered to the Administrative Agent and directly to any Lender requesting the same, a Beneficial Ownership Certification at least ten Business Days prior to the Effective Date.

(ii) Payment of Fees; Expense Reimbursement. The Administrative Agent and the Lenders shall have received payment of all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one Business Day prior to the Effective Date (or otherwise set forth in a funds flow or similar statement approved by the Borrower), reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Loan Parties hereunder (including payment of the invoiced and reasonable documented fees, charges and out-of-pocket expenses of outside counsel to the Administrative Agent, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent)).

(iii) Due Diligence. The Administrative Agent and each Lender shall have completed its business due diligence investigation (including the receipt of any requested due diligence reports), and each Lender and the Administrative Agent and its counsel shall have completed all legal due diligence, in each case the results of which shall be satisfactory to each Lender and the Administrative Agent.

Without limiting the generality of the provisions of Article VIII, for purposes of determining compliance with the conditions specified in this Section 4.01, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Effective Date specifying its objection thereto.

SECTION 4.02. Initial Availability Date. The occurrence of the Initial Availability Date is subject to the satisfaction (or wavier in accordance with Section 9.02) of the following conditions:

(a) Additional Loan Documents. The Administrative Agent shall have received:

(i) Notes executed by the Borrower in favor of each Lender, if any, which has requested Notes pursuant to Section 2.07(f), duly completed and dated the Effective Date; and

(ii) from each party thereto, counterparts (in such number as may be requested by the Administrative Agent) of the Guaranty Agreement signed on behalf of such party.

(b) Closing Certificates. The Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) Officer's Certificate. A certificate from a Responsible Officer of the Borrower, certifying (A)that the conditions specified in Sections 4.02(g)have been satisfied, (B)that either (i)all governmental, shareholder and third party consents, licenses and approvals required pursuant to Section 4.02(h)(i)have been received by the Loan Parties and are in full force and effect, or (ii)no such consents, licenses or approvals are so required and (C) as to the matters set forth in Section 4.02(h)(ii).

(ii) Secretary's Certificate. A certificate from the secretary of each Loan Party (or if such Loan Party does not have a secretary, a Responsible Officer) certifying as to the incumbency and genuineness of the signature of each Responsible Officer of such Loan Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A)the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Loan Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority (to the extent available) in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B)the bylaws, partnership agreement, limited liability company agreement or other governing document of such Loan Party as in effect on the Initial Availability Date (including all amendments thereto and such amendments as reasonably requested by the Administrative Agent), (C)resolutions duly adopted by the board of directors (or other governing body) of such Loan Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and (D)each certificate required to be delivered pursuant to Section 4.02(b)(iii).

(iii) Certificates of Good Standing. To the extent available, certificates as of a recent date as to the good standing of each Loan Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, and, to the extent requested by the Administrative Agent, each other jurisdiction where such Loan Party owns Oil and Gas Properties or is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that such Loan Party has filed required tax returns and owes no delinquent taxes.

(c) Opinions. The Administrative Agent shall have received (i)a favorable opinion of counsel from Fox Rothschild LLP, special counsel to the Loan Parties and (ii)a favorable opinion of counsel from Sidley Austin LLP, special counsel to the Administrative Agent, in each case in form and substance satisfactory to the Administrative Agent. Each such opinion shall be addressed to the Administrative Agent and the Lenders and shall expressly permit reliance by the permitted successors and assigns of the Administrative Agent and the Lenders.

(d) Lien Searches and Environmental Assessments.

(i) Lien Searches. The Administrative Agent shall have received the results of a recent Lien search (including a search as to judgments, bankruptcy and tax matters), in form and substance reasonably satisfactory to the Administrative Agent, in each of the jurisdictions or offices in which UCC financing statements or other filings or recordations (including mortgages) should be made to evidence or perfect security interests in the assets of each of the Loan Parties, indicating among other things that the assets of each such Loan Party are free and clear of any Lien (except for Permitted Liens).

(ii) Environmental Assessments. The Administrative Agent shall be satisfied with the environmental condition of the XTO Acquired Assets and the Oil and Gas Properties of the Loan Parties and shall have received copies of all existing environmental assessments and other environmental reports relating thereto.

(e) Property and Liability Insurance. The Administrative Agent shall have received, in each case in form and substance reasonably satisfactory to the Administrative Agent, evidence of property and liability insurance covering each Loan Party (with appropriate endorsements naming the Administrative Agent as "additional insured" on all policies for liability insurance) and the properties of the Loan Parties satisfying the requirements of Section 5.12, evidence of payment of all insurance premiums for the current policy year of each such policy, and if requested by the Administrative Agent, copies of such insurance policies.

(f) Financial Matters.

(i) Financial Statements. The Administrative Agent shall have received the audited consolidated balance sheet and statements of income or operations, stockholders' equity and cash flows of the Borrower and its Consolidated Subsidiaries as of and for the Fiscal Year ended December31, 2021, reported on by PricewaterhouseCoopers, independent public accountants.

(ii) Model. The Administrative Agent shall have received a base case financial model (the "Financial Model") for the Borrower and its Subsidiaries for the succeeding five year period, in form and substance, and as of a date, reasonably acceptable to the Administrative Agent and the Lenders. Such model shall demonstrate compliance with the financial covenants set forth in Section 6.11 (it being understood that such financial model shall be a good faith projection).

(g) Representations and Warranties; Defaults; Material Adverse Effect.

(i) The representations and warranties of the Borrower and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the Initial Availability Date (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

(ii) At the time of and immediately after giving effect to the Transactions to occur on the Initial Availability Date, (i)no Default or Event of Default shall have occurred and be continuing and (ii)the Borrower shall be in pro forma compliance with each of the financial covenants set forth in Section 6.11.

(iii) Since December31, 2021, there has not occurred any event, development or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect.

(h) Consents; Proceedings.

(i) Governmental and Third Party Approvals. The Loan Parties shall have received all governmental, shareholder and third party consents, licenses and approvals necessary in connection with the transactions contemplated by this Agreement and the other Loan Documents, other than the Hart-Scott-Rodino Act and any other governmental, shareholder and third party consents, licenses and approvals necessary in connection with the XTO Acquisition that would not result in a Material Adverse Effect.

(ii) No Injunction, Etc. No action, proceeding or investigation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain or prohibit the execution and delivery by the Loan Parties of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby.

(i) Initial Reserve Reports. The Administrative Agent shall have received the Initial Reserve Reports.

(j) Title. The Administrative Agent shall have received title information in form and substance reasonably satisfactory to the Administrative Agent setting forth the status of title to at least (i)75% of Midstream Properties (as determined by the Administrative Agent) and 75% of the Total Proved PV-10 of the Oil and Gas Properties of the Loan Parties other than the XTO Acquired Assets.

(k) Amended and Restated Shareholder Loan Agreements. The Administrative Agent shall have received true and correct copies of duly executed Amended and Restated Shareholder Loan Agreements, each in form and substance satisfactory to the Administrative Agent.

(l) Subordination Agreement. The Administrative Agent shall have received from each party thereto, fully executed counterparts of the Subordination Agreement.

(m) Miscellaneous.

(i) Other Documents. All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Administrative Agent. The Administrative Agent and the Lenders shall have received copies of all other documents, certificates and instruments reasonably requested thereby with respect to the transactions contemplated by this Agreement.

(ii) Payment of Fees; Expense Reimbursement. The Administrative Agent and the Lenders shall have received payment of all fees and other amounts due and payable on or prior to the Initial Availability Date, including, to the extent invoiced at least one Business Day prior to the Initial Availability Date (or otherwise set forth in a funds flow or similar statement approved by the Borrower), reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Loan Parties hereunder (including payment of the invoiced and reasonable documented fees, charges and out-of-pocket expenses of outside counsel to the Administrative Agent, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent)).

SECTION4.03. Initial Funding Date. The obligation of each Lender to make a Term Loan on the Initial Funding Date is subject to the satisfaction of the following conditions:

(a) Anticipated Closing of XTO Acquisition. The Administrative Agent shall have received a certificate from a Responsible Officer of the Borrower, dated as of the Initial Funding Date, certifying that (i)the Borrower expects the XTO Acquisition to be consummated on or before the date that is four (4)Business Days after the Initial Funding Date and (ii)all conditions precedent to the XTO Acquisition under the XTO Acquisition Agreement (other than funding of the Purchase Price (as defined in the XTO Acquisition Agreement) to the XTO Sellers) have been met.

(b) Solvency Certificate. The Borrower shall have delivered to the Administrative Agent a certificate in the form of Exhibit G; and

(c) Funds Flow Memorandum. The Administrative Agent shall have received a certificate from a Responsible Officer of the Borrower, dated as of the Initial Funding Date, attaching a certified copy of the Funds Flow Memorandum.

SECTION 4.04. Other Conditions to Each Funding Date. The obligation of each Lender to make a Term Loan on each Funding Date (including the Initial Funding Date) is subject to the satisfaction of the following additional conditions:

(a) The representations and warranties of the Borrower and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the date of such Borrowing (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date);

(b) At the time of and immediately after giving effect to such Borrowing, (i)no Default or Event of Default shall have occurred and be continuing and (ii) the Borrower shall be in pro forma compliance with each of the financial covenants set forth in Section 6.11; and

(c) The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower and the other Loan Parties on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.03.

ARTICLE V

Affirmative Covenants

From the Effective Date until Payment in Full, the Borrower covenants and agrees with the Lenders that:

SECTION5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent (for distribution to each Lender):

(a) within ninety (90)days after the end of each Fiscal Year of the Borrower (or, after a Qualified IPO, if earlier, by the date that the Annual Report on Form10-K of the Borrower for such fiscal year would be required to be filed under the rulesand regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) (commencing with the Fiscal Year ending December31, 2022), (i)the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income or operations, stockholders' equity and cash flows of the Borrower and its Consolidated Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers or other independent public accountants of recognized national standing or otherwise acceptable to the Administrative Agent (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries on a consolidated basis as of such date and the results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis for such Fiscal Year, in each case in accordance with GAAP consistently applied and (ii)a narrative management discussion and analysis of the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries for such Fiscal Year;

(b) within forty-five (45)days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (or, after a Qualified IPO, if earlier, by the date that the Quarterly Report on Form10-Q of the Borrower for such fiscal quarter would be required to be filed under the rulesand regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) (commencing with the Fiscal Quarter ending June 30, 2022), the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Quarter and the related statements of income or operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then-elapsed portion of the then-current Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries on a consolidated basis as of such date and the results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis for the period or periods then ended, in each case in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clauses (a) or (b) of this Section 5.01, a Compliance Certificate (i)certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations of the financial covenants contained in Section 6.11 (to the extent required to be tested as of the last day of the fiscal period covered by such financial statements);

(d) promptly following the written request of the Administrative Agent, certificates of insurance coverage and endorsements with respect to the insurance required by Section 5.12, in form and substance reasonably satisfactory to the Administrative Agent, and, if requested by the Administrative Agent, all copies of the applicable policies;

(e) (i)not later than ninety (90) days prior to the end of each Fiscal Year (beginning the Fiscal Year ending December31, 2022), a draft unapproved Budget for the following Fiscal Year, which shall be subject to review by the Administrative Agent, (ii)not later than thirty (30) days prior to the end of each Fiscal Year (beginning the Fiscal Year ending December31, 2022), a copy of a Budget for the following Fiscal Year that has been approved by the Administrative Agent, and (iii)within 45 days after the end of each Fiscal Quarter (beginning the Fiscal Quarter ending March31, 2023) a cash forecast for the succeeding 12-month period in form and substance acceptable to the Administrative Agent (the "Cash Reforecast"); provided that, if the Borrower makes any Restricted Payment or Restricted Debt Payment after the Fiscal Year ending December31, 2022, the Cash Reforecast to be delivered within 45 days after the end of the Fiscal Quarter ending June30 must be delivered to the Administrative Agent prior to the date of such Restricted Payment or Restricted Debt Payment;

(f) concurrently with the delivery of any draft unapproved Budget pursuant to Section 5.01(e)(i)or any approved Budget pursuant to Section 5.01(e)(ii), a forecast of the volume of production and forecasted sales attributable to production (and the forecasted prices at which such sales are to be made and the projected revenues derived from such sales) from Oil and Gas Properties for the related Fiscal Year covered by such Budget, including setting forth the related projected ad valorem, severance and production taxes and lease operating expenses attributable thereto and projected to be incurred for each month during such Fiscal Year (all in form and substance acceptable to the Administrative Agent);

(g) promptly following the written request of the Administrative Agent, copies of any Material Contract and any amendments, modifications, waivers, or supplements thereto;

(h) promptly following the written request of the Administrative Agent, a list of all Persons purchasing Hydrocarbons from the Borrower or any of its Subsidiaries under contracts with a term exceeding one month (or, with respect to Oil and Gas Properties that are not operated by the Borrower or any of its Subsidiaries, a list of the operators of such properties);

(i) within forty-five (45) days after the end of each Fiscal Quarter, a report setting forth, for each calendar month such Fiscal Quarter, the volume of production and sales attributable to production for which cash activity has been recorded (and the prices at which such sales were made and the revenues derived from such sales) from the Oil and Gas Properties, and setting forth the related ad valorem, severance and production taxes and lease operating expenses attributable thereto and incurred for each such calendar month;

(j) within forty-five(45) days after the end of each Fiscal Quarter, a report setting forth the Capital Expenditures made by the Borrower and its Subsidiaries during such Fiscal Quarter, in reasonable detail;

(k) within forty-five(45) days after the end of each Fiscal Quarter, (i)a report setting forth, as of the last day of such Fiscal Quarter, a summary of all outstanding Swap Agreements (including the type, strike price and notional amounts or volumes), any credit support documents relating thereto, any margin required or supplied under any credit support document, the counterparty to each such Swap Agreement and (ii)demonstrating compliance with the requirements of Section 5.16(b)with respect to Swap Agreements to be entered into or maintained within fourteen (14) days after the end of the Fiscal Quarter most recently ended;

(l) not less than three (3)Business Days' prior to making a Restricted Payment pursuant to Section 6.08(d)or Restricted Debt Payments pursuant to Section 6.18(a)(ii), a certificate of a Financial Officer in substantially the form of ExhibitF hereto setting forth (i)the Specified Amount, including the calculation thereof, as of the date of delivery of such certificate and (ii)the Specified Amount immediately after giving effect to such Restricted Payment or Restricted Debt Payment;

(m) within ten (10)days after the receipt of any filed-stamped copies of any XTO Acquisition Assignment or XTO Acquisition Release, the Borrower shall deliver copies of such XTO Acquisition Assignment or XTO Acquisition Release to the counsel of the Administrative Agent;

(n) promptly following the written request of the Administrative Agent, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary of the Borrower, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request; and

(o) promptly following the written request of the Administrative Agent, all documentation and other information that such Lender or the Administrative Agent reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender) the following:

(a) promptly, and in any event within five (5)Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge of the occurrence thereof, written notice of the occurrence of any Default;

(b) promptly, and in any event within five (5)Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Subsidiaries that could reasonably be expected to result in the imposition of liability in excess of $10,000,000 to the extent not covered by insurance, subject to normal deductibles;

(c) promptly, and in any event within five (5)Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in the imposition of liability in excess of $10,000,000;

(d) promptly upon the receipt thereof, or the acquisition of knowledge by a Responsible Officer of a Loan Party, a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person (i)concerning violations or alleged violations of Environmental Laws that seek to impose liability therefor in excess of $10,000,000, or (ii)concerning any action or omission on the part of any of such Loan Party in connection with Hazardous Materials that could reasonably result in the imposition of liability in excess of $10,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Materials into the environment and such action or clean-up could reasonably be expected to exceed $10,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA;

(e) promptly after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the occurrence of any Casualty Event with respect to Property of the Borrower or any of its Subsidiaries with a fair market value in excess of $10,000,000 or the commencement of any action of proceeding that could reasonably be expected to result in such a Casualty Event, together with a reasonably detailed description thereof;

(f) promptly after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect;

(g) promptly, and in any event within ten (10)Business Days after a Responsible Officer of Borrower or any of its Subsidiaries obtains knowledge thereof, written notice of the receipt by Borrower or any of its Subsidiaries of any written default notices under or with respect to any Material Contract; and

(h) prior to any Disposition under Section 6.04 anticipated to generate in excess of $5,000,000 in Net Proceeds, prior written notice of such Disposition, which notice shall (i)describe such Disposition and the nature and material terms and conditions of such transaction and (ii)state the estimated Net Proceeds anticipated to be received by any Loan Party from such Disposition.

Each notice delivered under clauses (a) through (g) of this Section shall be accompanied by a statement of a Responsible Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

After the occurrence of a Qualified IPO, documents required to be delivered pursuant to Section5.01(a)or (b)(to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii)on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); provided that: (A)upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B)the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each jurisdiction in which its Oil and Gas Properties are located or the ownership of its Properties require such qualification, in each case (other than with respect to the preservation of existence of any Loan Party) except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities

that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except with respect to any Tax liabilities where (a)the validity or amount thereof is being contested in good faith by appropriate proceedings andthe Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP (to the extent required under GAAP) or (b)the failure to make payment could not reasonably be expected to result in a Material Adverse Effect or result in the seizure or levy of any Proved Oil and Gas Properties with an aggregate fair market value in excess of $5,000,000.

SECTION 5.05. Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to:

(a) operate its Oil and Gas Properties, or cause such Oil and Gas Properties to be operated, in a reasonably prudent manner in accordance with the customary practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all applicable Governmental Requirements, including applicable proration requirements and Environmental Laws, and all applicable laws, rulesand regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of such Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom, except, in each case, where the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(a) maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its Oil and Gas Properties and other Properties material to the operation thereof, including all equipment, machinery and facilities, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(b) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all material delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties (except wherethe validity or amount thereof is being contested in good faith by appropriate proceedings and the applicable Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP (to the extent required by GAAP)) and will do all other things necessary, in accordance with industry standards, to keep unimpaired its rights with respect thereto and prevent any forfeiture thereof or default thereunder, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(c) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other Properties material to the operation thereof, except, in each case, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect;

(d) operate its Oil and Gas Properties and other Properties material to the operation thereof, or make reasonable and customary efforts to cause such Oil and Gas Properties and other material Properties to be operated, in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Governmental Requirements, except, in each case, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and

(e) to the extent that neither the Borrower nor any Subsidiary of the Borrower is the operator of any Property, use commercially reasonable efforts to cause the operator to comply with the requirements of this Section 5.05.

SECTION5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries that are full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records and to discuss its affairs, finances and condition with its officers and independent accountants, all at reasonable times during normal business hours; provided that, excluding any such visits and inspections during the continuation of any Event of Default, only the Administrative Agent (or any of its representatives or independent contractors) on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 5.06 and, unless an Event of Default shall have occurred and be continuing, the Borrower shall only be responsible for the costs and expenses of one such visit and inspection per calendar year. The Administrative Agent shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent accountants. Notwithstanding anything to the contrary in this Section 5.06, none of the Borrower nor any Subsidiary shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i)constitutes non-financial trade secrets or non-financial proprietary information, (ii)in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by applicable law or any material binding agreement between the Borrower or any of the Subsidiaries and a Person that is not the Borrower or any of the Subsidiaries and not entered into in contemplation of preventing such disclosure, inspection or examination or (iii)is subject to attorney-client or similar privilege or constitutes attorney work-product.

SECTION 5.07. Environmental Laws. The Borrower shall, at its sole expense: (i)comply, and shall cause its real property and operations and each of its Subsidiaries and each of its Subsidiaries' real property and operations to comply, with applicable Environmental Laws, the breach of which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (ii) not Release or threaten to Release, and shall cause each of its Subsidiaries not to Release or threaten to Release, any Hazardous Material on, under, about or from any Properties of the Borrower or any of its Subsidiaries or any other Property offsite the Property to the extent caused by the operations of the Borrower or any of its Subsidiaries except in compliance with applicable Environmental Laws, if and to the extent that the Release or threatened Release of such Hazardous Materials, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iii)timely obtain or file, and shall cause each of its Subsidiaries to timely obtain or file, all Environmental Permits to be obtained or filed in connection with the operation or use of any Properties of the Borrower or any of its Subsidiaries, if and to the extent that the failure to obtain or file such Environmental Permits, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iv)promptly commence and diligently prosecute to completion, and shall cause each of its Subsidiaries to promptly commence and diligently prosecute to completion, any

assessment, evaluation, investigation, monitoring, containment, cleanup, removal, repair, restoration, remediation or other remedial obligations (collectively, the "Remedial Work") in the event such Remedial Work is required or is reasonably necessary under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of Hazardous Material on, under, about or from any real property of the Borrower or any of its Subsidiaries, if and to the extent that failure to commence and diligently prosecute to completion such Remedial Work, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (v)conduct, and cause each Subsidiary to conduct, their respective operations and businesses in a manner that will not expose any Property or Person to Hazardous Materials that could reasonably be expected to form the basis for a claim for damages or compensation which claim could reasonably be expected to have a Material Adverse Effect; and (vi)establish and implement, and shall cause each Subsidiary to establish and implement, such procedures as may be necessary to continuously determine and assure that the Borrower's and the other Subsidiaries' obligations under this Section 5.07 are timely and fully satisfied, to the extent the failure to establish and implement such procedures could reasonably be expected to have a Material Adverse Effect. To the extent that neither the Borrower nor any Subsidiary is the operator of any Oil and Gas Property, the Borrower and the Subsidiaries shall use commercially reasonable efforts to cause the operator to comply with the requirements of this Section 5.07.

SECTION 5.08. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.09. Use of Proceeds. The Borrower will use the proceeds of the Term Loans only for the purposes set forth in Section 3.20. The Borrower will not request any Borrowing and shall not use, and shall procure that its Subsidiaries and its and their respective directors, officers, employees and agents shall not use, directly or indirectly, the proceeds of any Borrowing (i)in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii)for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii)in any manner that would result in the violation, by any Person, of any Sanctions or other anti-money laundering rules and regulations applicable to any party hereto.

SECTION 5.10. Compliance with ERISA. In addition to and without limiting the generality of Section 5.08, the Borrower shall, and shall cause each of its Subsidiaries and each ERISA Affiliate to, (a)except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i)comply with applicable provisions of ERISA, the Code and the regulations and interpretations thereunder with respect to all Plans and other employee benefit plans, (ii)not take any action or fail to take action the result of which could reasonably be expected to result in a liability to the PBGC or to a Multiemployer Plan, (iii)not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code and (iv)operate each employee benefit welfare plan (as defined in Section3(1)of ERISA) in such a manner that will not result in any tax liability under Section4980B of the Code or any liability to any qualified beneficiary as defined in Section4980B of the Code and (b)furnish to the Administrative Agent upon the Administrative Agent's request such additional information about any Plan or other employee benefit plan as may be reasonably requested by the Administrative Agent or the Required Lenders.

SECTION 5.11. Subsidiary Guarantors; Further Assurances .

(a) In the event that, at any time after the Effective Date, any Person becomes a Subsidiary of the Borrower, whether pursuant to formation, acquisition or otherwise, the Borrower shall promptly (and, in any event, within thirty (30)days after such formation, acquisition or otherwise, as such time period may be extended by the Administrative Agent in its sole discretion) (i)cause such Subsidiary to (A)become a Guarantor by delivering to the Administrative Agent a duly executed supplement to the Guaranty Agreement or such other document as the Administrative Agent shall deem reasonably appropriate for such purpose and (B)deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 4.01 as may be reasonably requested by the Administrative Agent.

(b) The Borrower and each Subsidiary will, at its sole expense, promptly execute and deliver to each Agent all such other documents, agreements and instruments reasonably requested by such Agent to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of any Loan Party, as the case may be, in the Loan Documents or to correct any omissions in this Agreement, or to make any recordings, file any notices or obtain any consents, all as such Agent may deem necessary or advisable in its reasonable discretion.

SECTION 5.12. Insurance. The Borrower will, and will cause each of its Subsidiaries tomaintain with financially sound and reputable carriers insurance in such amounts and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and as may be required by applicable material Governmental Requirements. The Borrower will furnish to the Lenders, upon the request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION5.13. Management of BKV-BPP. The Borrower will cause the management, business and affairs of each of the Borrower and its Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, furnishing separate financial statements of BKV-BPP to creditors thereof and by not permitting assets of the Borrower and its Subsidiaries to be commingled with those of BKV-BPP) so that BKV-BPP will be treated as an entity separate and distinct from the Borrower and each Subsidiary.

SECTION 5.14. Reserve Reports.

(a) Within sixty (60)days after the end of each Fiscal Year of the Borrower (commencing with the Fiscal Year ending December31, 2022), the Borrower shall furnish to the Administrative Agent (for distribution to the Lenders) (i) a Reserve Report prepared by the Borrower and audited by one or more Approved Petroleum Engineers (each, an "Approved Petroleum Engineer Reserve Report") evaluating the Oil and Gas Properties of the Borrower and the other

Loan Parties to which Proved Reserves are attributable as of December31st of such Fiscal Year and (ii)with respect to such Reserve Report, related Reserve Report Supporting Materials.

(b) Within forty-five (45) days after the end of each Fiscal Quarter ending on June30th of each Fiscal Year (commencing with June30, 2023), the Borrower shall furnish to the Administrative Agent (for distribution to the Lenders) (i)a Reserve Report evaluating the Oil and Gas Properties of the Borrower and the other Loan Parties to which Proved Reserves are attributable as of June30th of such Fiscal Year, such Reserve Report to be prepared internally by or under the supervision of the chief petroleum engineer of the Borrower, who shall certify such Reserve Report to be true and accurate in all material respects and, except as otherwise specified therein, to have been prepared in accordance with the procedures used in the immediately preceding Approved Petroleum Engineer Reserve Report and (ii) with respect to any such Reserve Report, related Reserve Report Supporting Materials.

(c) Reserved.

(d) With the delivery of each Reserve Report, the Borrower shall provide to the Administrative Agent (for distribution to the Lenders) a certificate (the "Reserve Report Certificate") from a Responsible Officer certifying on behalf of the Borrower that in all material respects: (i)the information furnished by the Loan Parties to the applicable petroleum engineers in connection with the preparation of such Reserve Report is true and correct in all material respects, it being understood that projections concerning volumes attributable to the Oil and Gas Properties of the Borrower and the other Loan Parties and production and cost estimates contained in the Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Borrower does not warrant that such opinions, estimates and projections will ultimately prove to have been accurate, (ii)each of the Borrower and the other Loan Parties has defensible title (subject to Immaterial Title Deficiencies) to the Proved Oil and Gas Properties evaluated in the related Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms), (iii)except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take-or-pay or other prepayments in excess of the threshold specified in Section 3.23 with respect to its Oil and Gas Properties evaluated in such Reserve Report which would require the Borrower or any other Loan Party to deliver Hydrocarbons either generally or produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (iv)none of the Loan Parties' Proved Oil and Gas Properties have been sold (other than Hydrocarbons sold in the ordinary course of business) since the date of the previous Reserve Report except as set forth on an exhibit to the certificate, which exhibit shall list all of such Proved Oil and Gas Properties sold and in such detail as reasonably required by the Administrative Agent and (v)attached to the certificate is a list of all marketing agreements entered into by a Loan Party subsequent to the later of the date hereof or the most recently delivered Reserve Report which the Borrower could reasonably be expected to have been obligated to list on Schedule 3.24 had such agreement been in effect on the date hereof.

SECTION5.15. Title Information. Upon any request of the Administrative Agent, the Borrower shall promptly supply the Administrative Agent with any reasonably requested title information with respect to the Loan Parties' Oil and Gas Properties.

SECTION 5.16. Required Commodity Hedging. After the end of each Fiscal Quarter (beginning the Fiscal Quarter ending June30, 2023), the Borrower and one or more Approved Swap Counterparties shall enter into Swap Agreements reasonably satisfactory to the Administrative Agent (or maintain Swap Agreements reasonably satisfactory to the Administrative Agent, entered into with Approved Swap Counterparties):

(i) hedging notional volumes not less than 50% of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, from the Loan Parties' Oil and Gas Properties that constitute Proved Developed Producing Reserves (as reflected in the most recently delivered Reserve Report) for a period of not less than twelve (12) months from the end of such Fiscal Quarter; and

(ii) hedging notional volumes not less than 25% of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, from the Loan Parties' Oil and Gas Properties that constitute Proved Developed Producing Reserves (as reflected in the most recently delivered Reserve Report) for a period beginning thirteen (13) months from the end of such Fiscal Quarter and ending twenty-four (24) months from the end of such Fiscal Quarter.

SECTION5.17. Ranking of Obligations. The Borrower will, and will cause each Loan Party to, take all such actions as shall be necessary to ensure that the Obligations of the Borrower or such Loan Party rank at least equally with all other unsecured and unsubordinated obligations of such Loan Party, except obligations mandatorily (and not consensually) preferred by applicable law, and ahead of all subordinated Indebtedness, if any, of such Loan Party.

SECTION 5.18. Post-Effective Date and Post-Initial Funding Date Covenants.

(a) On or prior to the date that is five (5) Business Days after the Initial Funding Date:

(i) the XTO Acquisition shall have been consummated pursuant to the terms of the XTO Acquisition Agreement.

(ii) the Administrative Agent shall have received evidence satisfactory to it that the Borrower has directly or indirectly received any combination of (a)cash equity contributions (with all such contributions to the common equity capital of the Borrower) and (b)net proceeds from the XTO Acquisition Subordinated Shareholder Loan, in each case, in connection with the XTO Acquisition in an aggregate amount not less than $75,000,000 (the "XTO Acquisition Contribution"), together with a certificate from a Responsible Officer of the Borrower certifying that the proceeds of the XTO Acquisition Contribution were applied (or will be applied substantially concurrently with the consummation of the XTO Acquisition) solely to the Purchase Price (as defined in the XTO Acquisition Agreement);

(iii) the Administrative Agent shall have received evidence satisfactory to it that the XTO Acquisition Contribution, together with the Borrowing of the Term Loans on the Initial Funding Date, shall be sufficient to fund the entire consideration due to the XTO Sellers under the XTO Acquisition

Agreement for the XTO Acquisition; and

(iv) the Administrative Agent (or its counsel) shall have received electronic executed copies (which such copies may be provided in a data room made available to the Administrative Agent and its counsel) of (i)real property assignments from the XTO Sellers with respect to the XTO Acquired Assets (the "XTO Acquisition Assignments") and (ii)lien releases from the lenders of the XTO Sellers under any debt instruments and/or mortgages securing the XTO Sellers' credit facilities to the extent burdening the XTO Acquired Assets (the "XTO Acquisition Releases").

(b) Within thirty (30) days after the Initial Funding Date (or such later date acceptable to the Administrative Agent in its sole discretion), the Borrower shall have delivered to the Administrative Agent evidence reasonably satisfactory to the Administrative Agent that the XTO Acquisition Assignments and XTO Acquisition Releases have been duly sent for filing in the applicable counties in the State of Texas.

(c) As soon as possible, but in no event later than one (1)day after the Borrower's receipt of the proceeds of Term Loans funded on any Funding Date, the Borrower shall deliver to Administrative Agent a Utilization Receipt.

(d) Within thirty (30) days after the Initial Funding Date (or such later date acceptable to the Administrative Agent in its sole discretion), the Borrower shall deliver a Reserve Report prepared by the Borrower and audited by one or more Approved Petroleum Engineers evaluating the oil and gas reserves of the XTO Acquired Assets.

(e) Within forty-five (45) days after the Effective Date (or such later date acceptable to the Administrative Agent in its sole discretion), the Administrative Agent shall have received the unaudited consolidated balance sheets and statements of income or operations, stockholders' equity and cash flows of the Borrower and its Consolidated Subsidiaries as of and for the Fiscal Quarter ended March31, 2022. Such financial statements shall present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries as of such date and for such period in accordance with GAAP and be in form and detail acceptable to the Administrative Agent.

(f) Within thirty (30) days after the Initial Funding Date (or such later date acceptable to the Administrative Agent in its sole discretion), the Borrower shall deliver to the Administrative Agent title information in form and substance reasonably satisfactory to the Administrative Agent setting forth the status of title to at least 75% of the Total Proved PV-10 of the Oil and Gas Properties attributable to the XTO Acquired Assets as evaluated in the engineering report prepared by the Borrower and audited by Ryder Scott Company L.P. as of February 1, 2022.

SECTION5.19. Material Contracts. The Borrower will maintain in force all Material Contracts except amendments, supplements, or other modifications that could not reasonably be expected to cause a Material Adverse Effect and or materially impair the Loans Parties' respective businesses and operations.

SECTION 5.20. Solvency. At all times, the Borrower shall individually be, and the Borrower and its Subsidiaries shall on a consolidated basis be, Solvent.

SECTION 5.21. Anti-Corruption Laws; USA PATRIOT Act; Anti-Terrorism Laws and Sanctions .

(a) The Borrower will maintain in effect policies and procedures designed to ensure compliance by the Borrower, the Subsidiaries, BKV-BPP and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

(b) The Borrower, the Subsidiaries, BKV-BPP, their respective officers and employees and, to the knowledge of the Borrower, their respective directors and agents shall at all times be in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and shall not engage in any activity that would reasonably be expected to result in any of the Borrower, the Subsidiaries or BKV-BPP being designated as a Sanctioned Person.

(c) None of (x) the Borrower, any Subsidiary, BKV-BPP or any of their respective directors, officers or employees, or (y) to the knowledge of the Borrower, any agent of the Borrower that will act in any capacity in connection with or benefit from the credit facility established hereby, shall be a Sanctioned Person.

ARTICLE VI

Negative Covenants

From the Effective Date until Payment in Full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness existing on the date hereof and set forth on Schedule 6.01;

(b) Indebtedness of any Loan Party owing to any other Loan Party;

(c) Reserved;

(d) Indebtedness of the Borrower or any Subsidiary of the Borrower incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, and extensions, renewals and replacements of any such Indebtedness; provided that (i)such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii)the aggregate principal amount of Indebtedness incurred pursuant to this Section 6.01(d) shall not exceed $5,000,000 at any time outstanding;

(e) Indebtedness incurred to finance insurance premiums in an aggregate principal amount not to exceed the amount of such insurance premiums;

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

(g) to the extent constituting Indebtedness,Indebtedness associated with workers' compensation claims, performance, bid, surety or similar bonds or surety obligations required by Governmental Requirements or third parties in the ordinary course of business in connection with the operation of the Oil and Gas Properties;

(h) (i)earnout obligations consisting of the Subject Payments, (ii)Indebtedness in the form of indemnification, incentive, non-compete, consulting or other similar arrangements in respect of any Investments permitted hereunder and (iii)Indebtedness arising from agreements providing for indemnification related to sales of goods or adjustment of purchase price or similar obligations in any case incurred in connection with the sale or other disposition of any business, assets or Subsidiary permitted hereunder;

(i) unsecured Indebtedness incurred (A)under the Uncommitted Credit Facility Agreements in an amount not to exceed $65,000,000 or (B) otherwise for working capital purposes; provided that (1) the aggregate amount of Indebtedness incurred pursuant to this clause (i) shall not exceed (x) at any time prior to the consummation of a Qualified IPO, an amount equal to $150,000,000 or (y)on or after the consummation of a Qualified IPO, an amount equal to $200,000,000, (2)such Indebtedness, if not incurred under any Uncommitted Credit Facility Agreement, shall not mature earlier than 91 days after the Maturity Date, (3)such Indebtedness shall rank pari passu or junior in right of payment to the Term Loans, and if junior, shall be subject to customary subordination terms reasonably acceptable to the Administrative Agent and (4)the proceeds of any such Indebtedness incurred pursuant to this clause (i)may not be used to prepay any Subordinated Shareholder Loans; and

(j) Indebtedness of the Borrower owing to Banpu North America arising from Subordinated Shareholder Loans; and

(k) unsecured Indebtedness of the Borrower or any Subsidiary Guarantor incurred in respect of letters of credit issued in the ordinary course of business.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary of the Borrower to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary of the Borrower existing on the date hereof and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other Property or asset of the Borrower or any Subsidiary of the Borrower and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the original outstanding principal amount thereof unless such increased amount is otherwise permitted hereunder (plus the amount of any capitalized fees and expenses incurred in connection with such extension, renewal or replacement);

(c) Liens existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary of the Borrower after the Effective Date prior to the time such Person becomes a Subsidiary; provided that (i)such Liens are not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii)such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii)such Liens shall secure only those obligations which they secure on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be; provided further that any such Liens shall only be permitted in connection with any such acquisition or such Person becoming a Subsidiary until the date that is two (2)months after the date of such acquisition or such Person becoming a Subsidiary, as the case may be;

(d) Liens securing Indebtedness incurred pursuant to Section 6.01(d); provided that (i)such Liens are created prior to or within sixty (60) days after such acquisition or the completion of such construction or improvement, (ii)the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iii)such Liens do not encumber any other property or assets of the Borrower or any Subsidiary of the Borrower (other than improvements, accessions, proceeds and assets fixed or appurtenant thereto and except that individual financings by a lender may be cross-collateralized to other financings by such lender or its Affiliate);

(e) Liens on insurance policies and the proceeds thereof securing the financing of the related insurance premiums permitted under Section 6.01(e);

(f) Liens on property of any Loan Party securing obligations of such Loan Party owing to any other Loan Party;

(g) Liens securing the Obligations;

(h) Liens encumbering Properties of the Borrower and its Subsidiaries (other than Equity Interests in Subsidiaries of the Borrower) having an aggregate value, when aggregated with the aggregate value of all Oil and Gas Properties Disposed of pursuant to Section 6.04(d), not to exceed $25,000,000 (after giving effect to the incurrence of any such new Liens); and

(i) other Liens as may be agreed in writing by the Required Lenders in their sole discretion.

SECTION 6.03. Fundamental Changes; Nature of Business .

(a) The Borrower will not, and will not permit any of its Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or Dispose of all or substantially all of its Property (whether in a single transaction or a series of transactions), or liquidate or dissolve, including, in each case, pursuant to a Division, except:

(i) any Subsidiary of the Borrower may merge into the Borrower or a Subsidiary Guarantor in a transaction in which the surviving entity is the Borrower or a Subsidiary Guarantor (provided that any such merger involving the Borrower must result in the Borrower as the surviving entity);

(ii) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets to the Borrower or any Subsidiary Guarantor;

(iii) any Subsidiary of the Borrower may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders (provided that all assets and property of such Subsidiary are distributed to a Loan Party in connection with such liquidation or dissolution);

(iv) if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, any Person (other than the Borrower or a Subsidiary) may participate in a merger or consolidation with a Subsidiary of the Borrower in connection with any Investment permitted under Section 6.05 (provided that, if such merger or consolidation involves a Subsidiary Guarantor, a Subsidiary Guarantor shall be the continuing or surviving entity); and

(v) any Subsidiary of the Borrower may effect a merger, dissolution, liquidation or consolidation to effect a Disposition permitted pursuant to Section 6.04 or an Investment permitted pursuant to Section 6.05.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, (i)engage in any business other than the exploration, development, production and sale of Hydrocarbons, midstream, downstream, carbon capture, utilization and storage (CCUS), solar and activities reasonably incidental or related thereto or (ii)acquire or make any other expenditure (whether such expenditure is capital, operating or otherwise) in or related to, any Oil and Gas Properties not located within the geographical boundaries of Canada, the United States or Mexico.

(c) The Borrower will not, nor will it permit any of its Subsidiaries to, change its Fiscal Year from the basis in effect on the Effective Date.

SECTION 6.04. Asset Sales. The Borrower shall not, nor shall it permit any of its Subsidiaries to, Dispose of any of its assets (including any of the Equity Interests of any of its Subsidiaries), whether now owned or hereafter acquired, including pursuant to a Division, except that the Borrower and its Subsidiaries may:

(a) sell Hydrocarbons, seismic data or Cash Equivalents in the ordinary course of business;

(b) enter into (i)Acreage Swaps and (ii)farmouts of undeveloped acreage or undrilled depths, in each case, to which no Proved Reserves are attributed and assignments in connection with such farmouts;

(c) Dispose of equipment and other personal property that is obsolete, worn out or uneconomic and Disposed of in the ordinary course of business or no longer necessary for the business of the Borrower or such Subsidiary of the Borrower or is replaced by equipment or other personal property of at least comparable value and use;

(d) Dispose of any Oil and Gas Property or any interest therein (including any Equity Interests in any Subsidiary that owns Oil and Gas Properties); provided that:

(i) except with respect to Casualty Events, no Default or Event of Default shall have occurred and be continuing at the time of such Disposition,

(ii) at least 75% of the consideration (other than environmental or other liabilities associated with such property and assumed by the purchaser or its Affiliates) received in respect of such Disposition shall be cash or Cash Equivalents,

(iii) the consideration received in respect of such Disposition shall be equal to or greater than the fair market value of the Oil and Gas Properties or interest therein (or Equity Interests) subject of such Disposition (as reasonably determined by a Responsible Officer of the Borrower and if requested by the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer of the Borrower certifying to the foregoing),

(iv) the Borrower shall make all mandatory prepayments required by, and within the time periods set forth in, Section 2.08 in connection with such Disposition, and

(v) the total value of all Oil and Gas Properties Disposed of under this clause (d), when aggregated with the total aggregate value of the Properties of the Borrower and its Subsidiaries subject to Liens incurred pursuant to Section 6.02(h), shall not exceed $25,000,000 (after giving effect to

such Disposition);

(e) enter into licenses of technology in the ordinary course of business;

(f) enter into leases or subleases of real or personal property and grant easements, rights-of-way, permits, licenses, restrictions or the like with respect to real or personal property, in each case, which do not interfere in any material respect with the ordinary course of business of the Borrower and its Subsidiaries;

(g) Dispose of Property to a Loan Party or among Loan Parties;

(h) unwind, monetize or terminate any Swap Agreement (including as may be necessary to comply with Section 6.06(a)), so long as, immediately after giving effect to such unwind, monetization or termination, the Borrower shall be in compliance with the minimum hedging requirements of Section 5.16, provided that in connection therewith, the Borrower shall make all mandatory prepayments required by, and within the time periods set forth in, Section 2.08;

(i) license, sublicense, abandon or otherwise Dispose of intellectual property rights in the ordinary course of business; and

(j) sell or discount without recourse accounts receivable in the ordinary course of business in connection with the compromise or collection thereof.

SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions . The Borrower will not, and will not permit any of its Subsidiaries to, make any Investment in any Person, except:

(a) Investments in Cash Equivalents;

(b) Investments by the Borrower and its Subsidiaries existing on the date hereof in the Equity Interests of its Subsidiaries;

(c) Investments made by any Loan Party in or to any other Loan Party;

(d) Guarantees constituting Indebtedness permitted by Section 6.01;

(e) any guarantees by the Borrower and its Subsidiaries of the operating or commercial obligations (to the extent not constituting Indebtedness) of the Borrower or any of its Subsidiaries incurred in the ordinary course of business;

(f) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the granting of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(g) deposits made in the ordinary course of business to secure the performance of leases or other obligations as permitted by Section 6.02;

(h) Reserved;

(i) loans made by the Borrower to Temple Generation I LLC pursuant to the BKV-Temple Loan Agreement in an aggregate principal amount not to exceed $15,000,000 at any time outstanding;

(j) Investments in direct ownership interests in additional Oil and Gas Properties and Properties related to oil and gas exploration and production activities, midstream, downstream, carbon capture, utilization and storage (CCUS), solar and any other related businesses located within the geographic boundaries of Canada, the United States and Mexico so long as after giving pro forma effect thereto no Default or Event of Default shall have occurred and be continuing;

(k) any other Investment (other than acquisitions) not otherwise permitted by this Section 6.05, so long as (i) at the time of such Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and (ii)the aggregate amount of all such Investments made pursuant to this clause (k) does not exceed $5,000,000 at any time outstanding;

(l) Investments in the form of Swap Agreements not prohibited under Section 6.06;

(m) Investments in the ordinary course of business consisting of (x)endorsements for collection or deposit and customary trade arrangements with customers and (y) deposits, prepayments and/or other credits to suppliers, vendors or other trade counterparties;

(n) promissory notes and other non-cash consideration received by the Borrower, the Borrower or any Subsidiary in connection with any Disposition permitted hereunder; and

(o) the acquisition of the XTO Acquired Assets pursuant to the XTO Acquisition Agreement.

SECTION 6.06. Swap Agreements.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreements in respect of commodities with any Person other than Swap Agreements in respect of commodities (i)with an Approved Swap Counterparty, (ii)the tenor of which does not exceed five (5)years and (iii)the notional volumes for which (other than for (x)basis differential swaps on volumes hedged pursuant to other Swap Agreements and (y)Swap

Agreements providing for floors), when aggregated with all other commodity Swap Agreements then in effect (other than for (x)basis differential swaps on volumes hedged pursuant to other Swap Agreements and (y)Swap Agreements providing for floors) do not exceed on a monthly basis (determined, in the case of contracts that are not settled on a monthly basis, by a monthly proration acceptable to the Administrative Agent), as of the date the latest hedging transaction is entered into under any such Swap Agreement, ninety percent (90%) of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, attributable to Proved Developed Producing Reserves of the Loan Parties evaluated in the most recently delivered Reserve Report.

(b) No Swap Agreement shall be entered into for speculative purposes.

(c) For purposes of entering into or maintaining Swap Agreement trades or transactions under this Section 6.06, forecasts of reasonably anticipated production from the Proved Oil and Gas Properties of the Borrower and its Subsidiaries as set forth on the most recent Reserve Report delivered pursuant to the terms of this Agreement shall, at the option of the Borrower, be deemed to be updated to account for any increase or decrease therein anticipated because of information obtained by the Borrower or any of its Subsidiaries and delivered to the Administrative Agent subsequent to the publication of such Reserve Report including, without limitation, the internal forecasts of the Borrower and its Subsidiaries of production decline rates for existing wells, additions to or deletions from anticipated future production from new wells, completed dispositions, and completed acquisitions coming on stream or failing to come on stream; provided that any such supplemental information shall be provided to the Administrative Agent and be reasonably satisfactory to the Administrative Agent and if any such supplemental information is delivered, such information shall be presented on a net basis (*i.e.*, it shall take into account both increases and decreases in anticipated production subsequent to publication of the most recent Reserve Report).

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of, or officer or director of, the Borrower or any Subsidiary of the Borrower, except at prices and on terms and conditions that are no less favorable to the Borrower or such Subsidiary, as the case may be, than those that could be obtained at the time from a Person who is not an officer, director or Affiliate of the Borrower or any Subsidiary of the Borrower; provided that the foregoing restriction shall not apply to (a)any transaction solely between or among the Loan Parties not involving any other Affiliate, (b) fees and compensation to, reimbursement of expenses of, and indemnity provided on behalf of, officers, directors and employees of the Borrower or any of its Subsidiaries in their capacity as such, to the extent such fees and compensation are customary, (c)any Restricted Payment permitted by Section 6.08 and Investments permitted by Section 6.05, (d)issuances of Equity Interests of the Borrower not prohibited by this Agreement, and (e)the performance of employment, equity award, equity option or equity appreciation agreements, plans or similar compensation or benefit plans or arrangements (including vacation plans, health and insurance plans, deferred compensation plans and retirement or savings plans); provided, further, that in no event shall the Borrower or any of its Subsidiaries enter into any transaction providing financial support to any Permitted Holder.

SECTION 6.08. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) the Borrower may declare and pay dividends with respect to its Qualified Equity Interests payable solely in additional units or shares of its Equity Interests (other than Disqualified Equity Interests);

(b) Subsidiaries may declare and pay dividends to the Borrower and other Subsidiaries ratably with respect to their Equity Interests;

(c) the Borrower may redeem, acquire, retire or repurchase, for cash, shares of Equity Interests (other than Disqualified Equity Interests) of the Borrower held by an present or former officer, manager, director or employee of the Borrower or any of its Subsidiaries upon the death, disability, retirement or termination of employment of any such person or otherwise make Restricted Payments pursuant to Qualifying Benefit Plans so long as, in each case, no Default or Event of Default exists at the time of such payment or results therefrom; and

(d) the Borrower may make Restricted Payments in an aggregate amount not to exceed the Specified Amount so long as the Payment Conditions have been met.

SECTION 6.09. Reduction in Share Capital. The Borrower will not, and will not permit any of its Subsidiaries or any other Person to, redeem, purchase or otherwise reduce any of the Borrower's or any Subsidiary's authorized or outstanding Equity Interests or the share capital of the Borrower or its Subsidiaries, except in each case as permitted by Section 6.08.

SECTION 6.10. Sale and Leaseback Transactions. The Borrower will not, nor will it permit any of its Subsidiaries to, consummate any Sale and Leaseback Transaction.

SECTION 6.11. Financial Covenants.

(a) Minimum Asset Coverage Ratio. The Borrower will not, as of December31 and June30 of any Fiscal Year (beginning June30, 2022), permit the Asset Coverage Ratio to be less than 2.00 to 1.00.

(b) Maximum Total Net Leverage Ratio. The Borrower will not, as of the last day of any Fiscal Quarter (commencing with the Fiscal Quarter ending June 30, 2022), permit the Total Net Leverage Ratio to be greater than 2.50 to 1.00.

(c) Minimum Consolidated Fixed Charge Coverage Ratio. The Borrower will not, as of the last day of any Fiscal Quarter (commencing with the Fiscal Quarter ending June 30, 2022), permit the Consolidated Fixed Charge Coverage Ratio to be less than 1.30 to 1.00.

SECTION 6.12. Amendments to Organizational Documents. The Borrower shall not, nor shall it permit any of its Subsidiaries to amend, modify, waive or supplement (or permit any modification, amendment, waiver or supplement of) any of the terms or provisions of its Organizational Documents in any manner that is materially adverse to the interests of the Lenders;

SECTION 6.13. Sale or Discount of Receivables. Except for the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower will not, and will not permit any of its Subsidiaries to, discount or sell (with or without recourse) any of its notes receivable or accounts receivable.

SECTION 6.14. Foreign Subsidiaries. The Borrower shall not, nor shall it permit any of its Subsidiaries to, create, acquire or permit to exist any Subsidiary which is not organized under the laws of a jurisdiction located in the United States of America.

SECTION 6.15. Proceeds of Loans. The Borrower and each Subsidiary of the Borrower will not permit the proceeds of the Term Loans to be used for any purpose other than those permitted by Section 3.20. The Borrower shall not issue a Borrowing Request and the Borrower shall not use, and shall procure that its directors, officers, employees and agents shall not use, the proceeds of the Term Loans (i)in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii)for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States, or (iii)in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 6.16. Take-or-Pay or Other Prepayments. Except as set forth on Schedule 3.23 or in the most recent certificate delivered pursuant to Section 5.14(d), the Borrower will not, and will not permit any of its Subsidiaries to, allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to the Proved Oil and Gas Properties of the Loan Parties that would require any Loan Party to deliver Hydrocarbons either generally or produced from Oil and Gas Properties at some future date with a value of $5,000,000 or more, which in the case of imbalances, would be satisfied no later than forty five (45) days after being occurred.

SECTION 6.17. Marketing Activities. The Borrower will not, and will not permit any of its Subsidiaries to, engage in marketing activities for any Hydrocarbons or enter into any contracts related thereto other than (i)contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from their Proved Oil and Gas Properties during the period of such contract and (ii)contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from Proved Oil and Gas Properties of third parties during the period of such contract associated with the Oil and Gas Properties of the Borrower or any Subsidiary that the Borrower or such Subsidiary has the right to market pursuant to joint operating agreements, unitization agreements or other similar contracts that are usual and customary in the oil and gas business.

SECTION 6.18. Prepayment of Subordinated Shareholder Loans; Amendments to Subordinated Shareholder Loan Documents.

(a) The Borrower shall not, nor shall the Borrower permit any of its Subsidiaries to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Subordinated Shareholder Loan, (ii)make any cash payment of interest on any Subordinated Shareholder Loans ((i)and (ii), each, a " Restricted Debt Payment"), or (iii)make any payment in violation of any subordination terms of any Subordinated Shareholder Loans, except:

(i) the refinancing thereof with the net proceeds of, or in exchange for, any Indebtedness permitted to be incurred pursuant to Section 6.01; and

(ii) any Restricted Debt Payments in an amount not to exceed the Specified Amount so long as the Payment Conditions are met.

(b) The Borrower shall not, nor shall it permit any of its Subsidiaries to, amend, modify or change any agreement governing any Subordinated Shareholder Loans (including the Amended and Restated Shareholder Loan Agreements) in a manner materially adverse to the interests of the Lenders without the prior written consent of the Administrative Agent (provided that, for the avoidance of doubt, any amendment which would (x)increase the rate of interest applicable to any Subordinated Shareholder Loan, (y)make any Subordinated Shareholder Loan secured, or (z)make the principal amount of any Subordinated Shareholder Loan due and payable at an earlier time than prior to giving effect to such amendment shall be considered materially adverse to the interests of the Lenders).

SECTION 6.19. Withdrawal of Proceeds of Term Loans Made on the Initial Funding Date. The Borrower shall not withdraw the proceeds of the Term Loans made on the Initial Funding Date from the Initial Funding Date Account until it has provided the Administrative Agent (a)written notice that the XTO Acquisition is being consummated on the date of (and substantially concurrently with) such withdrawal and (b)any other information reasonably necessary to facilitate the wire transfer of the proceeds of the Term Loans made on the Initial Funding Date from the Initial Funding Date Account to the XTO Sellers or their assigns.

SECTION 6.20. Amendments to Uncommitted Credit Facility Agreements

SECTION6.21. . The Borrower shall not, nor shall it permit any of its Subsidiaries to, amend, modify or change any Uncommitted Credit Facility Agreement in a manner materially adverse to the interests of the Lenders without the prior written consent of the Administrative Agent.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the principal of any Term Loan shall not be paid when such payment is due, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any interest on any Term Loan, any fee or any other amount (other than an amount referred to in clause(a)of this Section 7.01) payable under this Agreement or any other Loan Document shall not be paid when the same shall become due and payable and such failure shall continue unremedied for a period of (i)with respect to interest, two (2)Business Days solely to the extent such failure is as a result of a technical or administrative error and (ii) for any fee or any other amount (other than an amount referred to in clause (a) or (b)(i) of this Section 7.01), two (2) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in any respect);

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence), 5.04, 5.11, 5.14, 5.18 or in Article VI;

(e) (i) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.01(a), Section 5.01(b) or Section 5.01(c), and such failure shall continue unremedied for a period of ten (10)Business Days or (ii)the Borrower or any other Loan Party, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause(a), (b), (d)or (e)(i)of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30)days after the earlier of (A)notice thereof from the Administrative Agent to the Borrower or (B) a Responsible Officer of the Borrower or any other Loan Party becoming aware of such default;

(f) the Borrower or any Subsidiary of the Borrower shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace periods);

(g) other than as specified in clause (f)of this Article, any Loan Party defaults under any Material Indebtedness (other than, with respect to Material Indebtedness consisting of a Swap Agreement, termination events or equivalent events pursuant to the terms of such Swap Agreement not arising as a result of a default by any Loan Party thereunder) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i)liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii)the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary of the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary of the Borrower shall (i)voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii)consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause(h)of this Section 7.01, (iii)apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary of the Borrower or for a substantial part of its assets, (iv)file an answer admitting the material allegations of a petition filed against it in any such proceeding, or (v)make a general assignment for the benefit of creditors;

(j) the Borrower or any Subsidiary of the Borrower shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more final judgments for the payment of money in an aggregate amount in excess of $10,000,000 shall be rendered against the Borrower or any Subsidiary of the Borrower or any combination thereof (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) and the same shall remain undischarged for a period of sixty (60)consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary of the Borrower to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Administrative Agent, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Loan Parties in an aggregate amount exceeding $10,000,000;

(m) a Change in Control shall occur;

(n) the occurrence of a material adverse change in the business, operations, properties, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole;

(o) the Borrower and its Subsidiaries, taken as a whole, shall cease normal business operations;

(p) any Loan Party shall cease, suspend or Dispose of its core business without the consent of the Required Lenders;

(q) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to any of the Loan Parties described in clause(h)or (i)of this Section 7.01), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i)terminate the Commitments (if not already terminated), and thereupon the Commitments shall terminate immediately, and (ii)declare the Term Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Term Loans so declared to be due and payable, together with accrued interest thereon, the Applicable Prepayment Premium with respect thereto and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Loan Party; and in case of any event described in clause(h)or (i)of this Section 7.01, the Commitments shall automatically terminate and the principal of the Term Loans then outstanding, together with accrued interest thereon, the Applicable Prepayment Premium, any break funding payments required by Section 2.18 with respect thereto and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Loan Party. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall (subject to its rights and protections under Article VIII), exercise any rights and remedies provided to the Administrative Agent, as applicable, under the Loan Documents or at law or equity, including all remedies provided under the UCC.

SECTION7.02. Right to Cure Financial Covenant Defaults. In the event that the Borrower fails to comply with Section6.11(b)or Section6.11(c)as of the last day of any Fiscal Quarter (a " Cure Quarter") then during the period beginning on the Cure Period Start Date and ending ten (10)Business Days after the date the Compliance Certificate for such Cure Date is required to be delivered pursuant to Section5.01(d)(the " Cure Period"), the Borrower shall be permitted to cure such failure to comply by receiving a Specified Contribution and by recalculating the financial covenant in Section6.11(b)of Section6.11(c)by increasing Consolidated EBITDA for such Cure Date by an amount up to the amount of the Specified Contribution received by the Borrower during the Cure Period (the "Cure Right"). If, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of Section6.11(b)or Section6.11(c), the Borrower shall be deemed to have satisfied the requirements of Section6.11(b)or Section6.11(c)as of the last day of the applicable Cure Date with the same effect as though there had been no failure to comply with Section 6.11(b) or Section 6.11(c) on such date, and the applicable Default or Event of Default with respect to Section6.11(b)or Section6.11(c)and the Cure Date that had occurred shall be deemed not to have occurred for purposes of this Agreement and the other Loan Documents; provided, however, that:

(a) the Borrower shall notify the Administrative Agent in writing during the period beginning on the Cure Period Start Date and ending five (5)Business Days after the date the Compliance Certificate for such Cure Date is required to be delivered pursuant to Section 5.01(d)(the "Cure Election Period") that the Borrower intends to exercise the Cure Right in respect of the applicable Cure Date;

(b) in each period of four consecutive Cure Quarters there shall be at least two Cure Quarters in which no Cure Right is exercised;

(c) the Cure Right shall not be exercised more than five times during the term of this Agreement;

(d) the amount of each Specified Contribution that may be applied to increase Consolidated EBITDA for the applicable Cure Date shall not exceed the amount required to cause the Borrower to be in compliance with Section 6.11(b) with respect to such Cure Date;

(e) all proceeds of any Specified Contribution shall for the purposes of this Section 7.02 be treated as increases to Consolidated EBITDA rather than as decreases in Indebtedness (except if such Specified Contribution is in the form of a Subordinated Shareholder PIK Loan, in which case such Specified Contribution shall also be treated as a decrease in Indebtedness as a result of the related mandatory prepayment of Loans required by Section 2.08(d));

(f) the amount of any Specified Contribution used to increase Consolidated EBITDA shall be credited to the applicable Cure Date and such amount may be included in the calculation of Consolidated EBITDA for any consecutive four Fiscal Quarter period that includes such Cure Date; and

(g) Consolidated EBITDA shall be increased solely for the purpose of recalculating and complying with the financial covenant in Section 6.11(b) or Section 6.11(c) in accordance with this Section 7.02 and not for the purpose of calculating Consolidated EBITDA for any other purpose.

Upon receipt by the Administrative Agent of written notice from the Borrower, on or prior to the expiration of the Cure Election Period, that the Borrower intends to exercise a Cure Right in respect of a Fiscal Quarter, the Lenders shall not be permitted to accelerate payment of any Obligations owed to them or to exercise remedies, in each case, on the basis of a failure to comply with the requirements of Section6.11(b)or Section6.11(c)as of the end of such Fiscal Quarter, unless such failure is not cured pursuant to the exercise of the Cure Right on or prior to the expiration of the Cure Period; provided, however, that (i)the Cure Right shall not affect in any way the rights and remedies of the Lenders or the Administrative Agent with respect to any other Default or Event of Default and (ii) for the avoidance of doubt, unless and until (x) such failure to comply is cured pursuant to the exercise of the Cure Right and (y) the Borrower has delivered a certificate to the Administrative Agent certifying that the proceeds of the Specified Contribution were used exclusively to prepay any Loan in accordance with Section2.08(d), in each case, on or prior to the expiration of the Cure Period, the Borrower and its Subsidiaries shall be prohibited from taking any action that is prohibited under the Loan Documents from being taken while a Default or Event of Default exists. The Administrative Agent shall not be responsible for determining whether a Cure Right has been properly exercised in accordance with the terms of this Section 7.02. The proceeds of any Specified

Contribution received by the Borrower shall be used to prepay any Loans then outstanding in accordance with Section 2.08(d).

ARTICLE VIII

The Agents

SECTION 8.01. Appointment and Authorization.

(a) Each Lender hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent under the Loan Documents and each Lender and each Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders, as applicable (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender; *provided, however*, that the Administrative Agent shall not be required to take any action that (i)the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification satisfactory to it from the Lenders with respect to such action or (ii)is contrary to this Agreement or any other Loan Document or applicable Requirements of Law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided further* that the Administrative Agent may seek clarification or direction from the Required Lenders, as applicable, prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender or holder of any other obligation other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term “agent” (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable Requirements of Law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and the transactions contemplated hereby;

(ii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) Reserved.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Term Loan or any Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.09, 2.10, 2.12, 2.14 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender and each other Credit Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the other Credit Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Credit Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

SECTION 8.02. Administrative Agent's Reliance, Indentification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders, as applicable, (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower, a Lender and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent, or (vi) the creation, perfection or priority of Liens on any collateral.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Term Loan that by its terms must be fulfilled to the satisfaction of a Lender, may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender sufficiently in advance of the making of such Term Loan and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

SECTION 8.03. Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower

hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM IN THE ABSENCE OF ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (SUCH ABSENCE TO BE PRESUMED UNLESS OTHERWISE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY A FINAL AND NONAPPEALABLE JUDGMENT).

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable Requirements of Law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04. The Administrative Agent Individually . With respect to its Commitment and Term Loans, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender, as the case may be. The terms "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 8.05. Successor Administrative Agent .

(a) The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right (with, so long as no Event of Default exists, the consent of the Borrower, which shall not be unreasonably withheld or delayed) to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.06. Acknowledgment of Lenders.

(a) Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Term Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

(c) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Person), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(i) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(ii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of satisfying such Obligations.

(iii) Each party's obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 8.07. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Term Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and

perform the Term Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent or its Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Term Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Term Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any its Affiliates for investment advice (as opposed to other services) in connection with the Term Loans, the Commitments or this Agreement.

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Term Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Term Loans or the Commitments for an amount less than the amount being paid for an interest in the Term Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.08. Administrative Agent May File Proof of Claim . In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower or any Subsidiary of the Borrower, the Administrative Agent (irrespective of whether the principal of any Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Administrative Agent under Section 9.03) allowed in such judicial proceeding;

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 9.03. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Indebtedness or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 8.09. Data Protection. The Borrower acknowledges the purposes and details with respect to the Administrative Agent's collection, use and disclosure of personal data as well as the rights of the data subject as stated in the Privacy Notice and the Written Request for Consent Relating to the Collection, Use, and Disclosure of Personal Data (copies of which have been distributed to the Borrower prior to the Effective Date). The Borrower hereby confirms to the Administrative Agent that (1) the Borrower has notified details of the Privacy Notice of the Administrative Agent to the person(s) whose personal data has been provided by the Borrower to the Administrative Agent and such person is informed of details as stated in the Privacy Notice of the Administrative Agent, and (2) the Borrower has legitimate rights to disclose any information of any other person(s) whose personal data has been provided by the Borrower to the Administrative Agent. The Borrower accepts and agrees that the Administrative Agent is entitled to collect and use the information which the Borrower has provided to the Administrative Agent or which derives from the use of the service under this agreement and other information related to the use of the service under this agreement or other information which the Administrative Agent has received or obtained from other sources, and is entitled to send, transfer or disclose such information to companies within the Administrative Agent's financial group, business partners, outsource service providers, agents of the Administrative Agent, assignees of the Administrative Agent's rights or obligations, assignees of the Administrative Agent's claims, advisors, other financial institutions, credit rating agencies, external auditors, agencies or any Persons related to the business operation of the Administrative Agent, both domestic and overseas, for the purposes stated in the Privacy Notice of the Administrative Agent, including (a) for compliance with its obligations under this Agreement or any other Loan Document or in connection with this Agreement or any other Loan Document, including for compliance with any agreement or contract entered into between the Administrative Agent and any other Person related to or in connection with the provision of service under this Agreement or any other Loan Document, (b) for notification, communication, examination or response to any inquiries or complaints related to the use of the service under this Agreement or any other Loan Document at the request of the Borrower or any other Person related to the provision of service under this Agreement or any other Loan Document, (c) for analysis, processing, management or use of information obtained from the utilization of the Administrative Agent's or any Lender's products or services in order to facilitate such utilization by the Borrower and for advertisement, granting or offering privileges, benefits, rewards and products or services likely to be suitable to, or meet requirements of, the Borrower, as well as for assessment, development and improvement of the products and services of the Administrative Agent or any Lender, (d) for operations relating to information technology, (e) for compliance, risk management and any audit related to the service provision of the Administrative Agent including business management of the Administrative Agent, companies within the Administrative Agent's financial group and the Administrative Agent's affiliates or business partners and (f) for compliance with laws, regulations, orders or procedures prescribed by government agencies or regulatory authorities as well as for debt collection, exercise of claims or enforcement of legal rights.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail, as follows:

(i) if to the Borrower, to

BKV Corporation
1200 17th Street, Suite 2100
Denver CO 80202
Attention: Chief Executive Officer
Email: [***]

With a copy to:

BKV Corporation
1200 17th Street, Suite 2100
Denver CO 80202
Attention: General Counsel
Email: [***]

With a copy to (which copy shall not constitute notice):

Fox Rothschild, LLP
1225 17th Street, Suite 2200
Denver, CO 80202
Attn: Gregory Brown
Email: [***]

(ii) if to the Administrative Agent, to

Bangkok Bank Public Company Limited (New York Branch)
Address: 29 Broadway, Suite #19

New York, NY 10016
Attention: Sirivan Chuaypradit
Email: [***]

With a copy to (which copy shall not constitute notice):

Sidley Austin LLP
1000 Louisiana, Suite 5900
Houston, TX 77002
Attn: Herschel T. Hamner III
Email: [***]

(iii) if to any other Lender, to it at its address or e-mail address set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Term Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof nor any other Loan Document nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by (x) in the case of this Agreement, the Borrower and the Required Lenders (with a copy to the Administrative Agent), the Borrower and the Administrative Agent with the consent of the Required Lenders, and (y) in the case of any other Loan Document, each Loan Party that is a party thereto and the Required Lenders, or each Loan Party that is a party thereto and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Term Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Term Loan (including by way of extension of the Maturity Date), or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.15(b) or 2.15(c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vi) release all of substantially all of the Guarantors from their guarantee obligations under the Guaranty Agreement(other than as provided in Section 9.14 below) without the written consent of each Lender, (vii) release the Borrower from its obligations under the Loan Documents without the written consent of each Lender, (viii) contractually subordinate any Obligations in contractual right of payment to any other debt or other obligations, including any other Term Loans hereunder, without the consent of each Lender directly and adversely affected thereby (provided, however, in no event shall this clause (viii) restrict any "debtor in possession" financing) or (ix) waive any condition set forth in Section 4.01, 4.02, 4.03, or 4.04 without the written consent of each applicable Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose

consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement in accordance with Section 2.16(b).

(d) Notwithstanding anything to the contrary herein, (i) the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency and (ii) the Administrative Agent and the Borrower (or other applicable Loan Party) may enter into any amendment, modification or waiver of this Agreement or any other Loan Document or as required by any Governmental Requirement to give effect to, protect or otherwise enhance the rights or benefits of any Lender under the Loan Documents without the consent of any other party to this Agreement.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of Sidley Austin LLP, counsel for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation, execution and delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Term Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Term Loans.

(b) THE BORROWER SHALL INDEMNIFY THE ADMINISTRATIVE AGENT, ANY SUB-AGENT OF THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") AGAINST, AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES AND RELATED EXPENSES, INCLUDING THE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE, INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE EXECUTION OR DELIVERY OF ANY LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS THEREUNDER OR THE CONSUMMATION OF THE TRANSACTIONS OR ANY OTHER TRANSACTIONS CONTEMPLATED HEREBY, (II) ANY LOAN OR THE USE OF THE PROCEEDS THEREFROM, (III) ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY PROPERTY OWNED OR OPERATED BY THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR (IV) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER OR NOT SUCH CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING IS BROUGHT BY THE BORROWER OR ANY OTHER LOAN PARTY OR ITS OR THEIR RESPECTIVE EQUITY HOLDERS, AFFILIATES, CREDITORS OR ANY OTHER THIRD PERSON AND WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, AND TO REIMBURSE EACH INDEMNITEE WITHIN THIRTY (30) DAYS AFTER RECEIPT OF WRITTEN DEMAND FOR ANY REASONABLE AND DOCUMENTED OUT-OF-POCKET LEGAL OR OTHER EXPENSES INCURRED IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY OF THE FOREGOING (BUT LIMITED, IN THE CASE OF LEGAL FEES AND EXPENSES, TO ONE EXTERNAL COUNSEL FOR THE INDEMNITEES, TAKEN AS A WHOLE, AND, IF REASONABLY NECESSARY (AS REASONABLY DETERMINED BY THE APPLICABLE INDEMNITEES), ONE FIRM OF LOCAL COUNSEL IN EACH RELEVANT JURISDICTION, AND, SOLELY IN THE CASE OF AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST (AS REASONABLY DETERMINED BY ANY INDEMNITEE) WHERE THE AFFECTED INDEMNITEE INFORMS THE BORROWER OF SUCH CONFLICT, ONE ADDITIONAL EXTERNAL COUNSEL FOR ALL AFFECTED INDEMNITEES SIMILARLY SITUATED, TAKEN AS A WHOLE, AND, IF REASONABLY NECESSARY (AS REASONABLY DETERMINED BY THE AFFECTED INDEMNITEES SIMILARLY SITUATED), ONE FIRM OF LOCAL COUNSEL IN EACH RELEVANT JURISDICTION FOR THE AFFECTED INDEMNITEES SIMILARLY SITUATED, TAKEN AS A WHOLE); PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES (X) ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE OR (Y) HAVE NOT RESULTED FROM AN ACT OR OMISSION BY THE BORROWER OR ANY OF ITS AFFILIATES AND HAVE BEEN BROUGHT BY AN INDEMNITEE AGAINST ANY OTHER INDEMNITEE (OTHER THAN ANY CLAIMS AGAINST ANY INDEMNITEE IN ITS CAPACITY AS AGENT OR ANY SIMILAR ROLE HEREUNDER). THIS SECTION 9.03(b) SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS OR DAMAGES ARISING FROM ANY NON-TAX CLAIM.

(c) Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraph (a) or (b) of this Section 9.03 to the Administrative Agent and each Related Party of the Administrative Agent (each, an "Agent Indemnitee") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Term Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Term Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Term Loans and all other amounts payable hereunder.

(d) To the extent permitted by applicable law, each party to this Agreement agrees not to assert, and hereby waives, any claim against any other party to this Agreement or any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions or any Loan or the use of the proceeds thereof; provided that nothing contained herein shall limit the obligation of the Borrower to indemnify any Indemnitee in accordance with this Section 9.03 against any such special, indirect, consequential or punitive damages that may be awarded to any third person against such Indemnitee. No Indemnitee shall be liable for any direct or indirect damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including, without limitation, the Internet, email or similar electronic transmission systems); provided that this sentence shall not, as to any Indemnitee, apply to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee.

(e) All amounts due under this Section shall be paid promptly (but in any event not later than thirty (30) days) after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the sub-agents and Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Term Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof); provided that no consent of the Borrower shall be required for any assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Term Loans, the amount of the Commitments or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause (B) shall not prohibit any Lender from assigning all or a proportionate part of its rights and obligations in respect of Commitments or Term Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or

(c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, (d) any Permitted Holder or any portfolio company thereof or (e) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof. Notwithstanding anything to the contrary contained in this Agreement, (i) the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Ineligible Institutions and (ii) the Borrower (on behalf of itself and the other Loan Parties) and the Lenders acknowledge and agree that the Administrative Agent shall have no responsibility or obligation to determine whether any Lender or potential Lender is an Ineligible Institution and that the Administrative Agent shall have no liability with respect to any assignment or participation made to an Ineligible Institution.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective or recordation date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.14 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior written notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Term Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.15 and 2.16 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.16(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Term Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Term Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as necessary for the Borrower or the Administrative Agent to satisfy its obligations under FATCA. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Term Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until Payment in Full. The provisions of Sections 2.12, 2.14, 9.03, 9.09, 9.10 and 9.16 and Section VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Term Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall be deemed an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided further* without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Related Parties of any Lender for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and any dispute, claim or controversy arising out of or relating to this Agreement (whether arising in contract, tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

(b) Except as set forth in the immediately following sentence, each party hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party hereto or any Related Party of any other party hereto in any way relating to this Agreement or any other Loan Document or the Transactions, in any forum other than the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, or the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto hereby irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such New York State court or, to the extent permitted by applicable Requirements of Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that any Credit Party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its Properties in the courts of any jurisdiction for the purposes of enforcing a judgment, or to the extent the courts referred to in the preceding sentence do not have jurisdiction over such legal action or proceeding or the parties or property subject thereto.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in the first sentence of paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION**.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its (i) Affiliates' directors, (ii) officers, (iii) employees and agents, including accountants, legal counsel and other advisors and (iv) any insurer, insurance broker, reinsurer or provider of security and their affiliated companies, auditors, advisors and service providers, in each case in this clause (iv) arising from or in connection with the provision of credit support or insurance, (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (in which case the Administrative Agent or such Lender, as applicable, agrees to inform the Borrower promptly thereof (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory or self-regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by law, rule or regulation and to only disclose that Information necessary to fulfill such legal requirement), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, (ii) becomes available to the Administrative Agent any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (iii) is independently developed by the Administrative Agent, or any such Lender without the use of Information. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.14. Releases of Guarantors.

(a) So long as no Default or Event of Default has occurred and is continuing (or would result from such release) any Subsidiary Guarantor shall be released from its obligations under the Guaranty Agreement and the other Loan Documents if all of the Equity Interests of a Subsidiary Guarantor that is owned by the Borrower or a Subsidiary is sold or otherwise Disposed of in a transaction or transactions permitted by this Agreement. In connection with any release pursuant to this Section, the Administrative Agent shall, promptly upon receipt of a written request therefor from the Borrower (together with an certificate of a Responsible Officer of the Borrower certifying that such transaction is permitted hereunder), execute and deliver all documents and take such other action as may reasonably be requested to evidence such release of such Subsidiary Guarantor. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Upon Payment in Full, the Guaranty Agreement and all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Term Loan, together with all fees, charges and other amounts which are treated as interest on such Term Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Term Loan in accordance with applicable law, the rate of interest payable in respect of such Term Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Term Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Term Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Loan Parties are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any of the Loan Parties or their Affiliates, or any other Person and (B) no Lender nor any of its Affiliates has any obligation to any of the Loan Parties or their Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Loan Parties or their Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17. Acknowledgement and Consent to Bail-In of EEA Financial Institutions**.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

BKV CORPORATION,
as the Borrower

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: Chief Executive Officer

Signature Page to Credit Agreement
[BK Corporation]

BANGKOK BANK PUBLIC COMPANY LIMITED,
NEW YORK BRANCH,
as Administrative Agent and as a Lender

By: /s/ Thitipong Prasertslip
Name: Thitipong Prasertslip
Title: VP and Branch Manager

Signature Page to Credit Agreement
[BKV Corporation]

BANGKOK BANK PUBLIC COMPANY LIMITED,
as a Lender

By: /s/ Niramarn Laisathit
Name: Niramarn Laisathit
Title: Senior Executive Vice President

Signature Page to Credit Agreement
[BKV Corporation]

KRUNG THAI BANK PUBLIC COMPANY LIMITED,
as a Lender

By: /s/ Jamroong Suriyakiettikul
Name: Mr. Jamroong Suriyakiettikul
Title: First Vice President & Manager Corporate Banking Team 4

Signature Page to Credit Agreement
[BKV Corporation]

OVERSEA-CHINESE BANKING CORPORATION LIMITED, LOS ANGELES AGENCY,
as a Lender

By: /s/ Charles Ong
Name: Charles Ong
Title: General Manager and Head USA

Signature Page to Credit Agreement
[BKV Corporation]

SUMITOMO MITSUI BANKING CORPORATION, BANGKOK BRANCH,
as a Lender

By: /s/ Vorapat Chaovanasmith
Name: Mr. Vorapat Chaovanasmith
Title: Head of Thailand Corporate Banking, Asia Pacific

Signature Page to Credit Agreement
[BKV Corporation]

UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED,
as a Lender

By: /s/ Boonyarit Pataratanawadee
Name: Boonyarit Pataratanawadee
Title: Assistant Vice President

By: /s/ Saipetch Bureekaew
Name: Saipetch Bureekaew
Title: Assistant Vice President

Signature Page to Credit Agreement
[BKV Corporation]

SCHEDULE 2.01

COMMITMENTS

LENDER		TERM LOAN COMMITMENT
Bangkok Bank Public Company Limited	$	200,000,000.00
Krung Thai Bank Public Company Limited	$	150,000,000.00
United Overseas Bank (Thai) Public Company Limited	$	100,000,000.00
Bangkok Bank Public Company Limited, New York Branch	$	50,000,000.00
Oversea-Chinese Banking Corporation Limited, Los Angeles Agency	$	50,000,000.00
Sumitomo Mitsui Banking Corporation, Bangkok Branch	$	50,000,000.00
AGGREGATE COMMITMENTS	$	600,000,000.00

Exhibit 10.2

Amended and Restated Loan Agreement

This Amended and Restated Loan Agreement (the "**Agreement**") is made and entered into on the 15th of June, 2022 by and between:

Parties:

1. **Banpu North America Corporation**, a company incorporated in the State of Delaware, and having its registered office at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808, hereinafter referred to as the "**Lender**" of the one part; and

2. **BKV Corporation**, a company incorporated in the State of Delaware, and having its registered office at 1200, 17th Street, Tabor Center 1, 21st Floor, Suite 2100, City of Denver, Colorado 80202, hereinafter referred to as the "**Borrower**" of the other part.

The Lender and the Borrower each shall be individually referred to as the " **Party**" and collectively as the " **Parties**".

Whereas:

(i) The Borrower and the Lender previously entered into that certain Loan Agreement dated as of 14th October 2021, which provided for a term loan facility made available by the Lender to the Borrower (the "**Original Agreement**").

(ii) The Borrower has previously drawn down and received the Loan of USD 116,000,000 in accordance with the Original Agreement.

(iii) The Borrower plans to enter into the Bangkok Bank Facility (as defined below) and the Parties have agreed that the Loan hereof will be subordinated to the loan created under the Bangkok Bank Facility pursuant to a subordination agreement satisfactory to Bangkok Bank Public Company Limited, New York Branch in its capacity as administrative agent under the Bangkok Bank Facility.

NOW, THEREFORE, the Parties wish to amend and restate the Original Agreement by replacing it in its entirety with this Agreement from and on the Effective Date (as defined below) as follows:

Definitions:

"**Bangkok Bank Facility**" means a USD 600,000,000 term loan credit facility, substantially in the form attached hereto as Appendix 1, to be executed by and among the Borrower, the Senior Administrative Agent, and the lenders from time to time party thereto (as may be amended, restated, amended and restated, extended, supplemented, refinanced or otherwise modified in writing from time to time).

"**Business Day**" means the date which has not been declared as a public or bank holiday within the jurisdictions of incorporation of the Borrower and the Lender, including the date which is not declared as non-working day by either Party.

"**Credit Documents**" means this Agreement, and each other document, instrument and agreement executed and delivered pursuant to or in connection herewith or therewith.

"**Effective Date**" means the "Effective Date" as defined in the Bangkok Bank Facility.

"**Event of Default**" means events or circumstances described in clause 9.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof and any department, commission, board, bureau, instrumentality, agency or other entity exercising legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

"**IFRS**" means International Financial Reporting Standard as issued by the International Accounting Standards Board.

"**Interest**" has a meaning given in clause 4.

"**Interest Period**" has a meaning given in clause 4.1.

"**Interest Rate**" has a meaning given in clause 4.1.

"**Lien**" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien (statutory or otherwise), security interest, charge or other encumbrance or security or preferential arrangement of any nature whatsoever.

"**Loan**" means the total principal amount drawn by the Borrower prior to the date hereof under the Loan Facility.

"**Loan Facility**" means the total amount which the Lender has, according to terms and condition of this Agreement, lent to the Borrower.

"**Material Adverse Effect**" means a material adverse effect of any of (a) the business, operations, property, or condition (financial or otherwise) of the Borrower and its subsidiaries (b) the ability of the Borrower to perform its obligations under any Credit Document to which it is a party, or (c) the validity, legality or enforceability of any Credit Document or any rights and remedies of the Lender under the Credit Documents.

"**Net Worth**" means, at any time, total assets minus total liabilities calculated in accordance with IFRS as of the end of each quarter excluding any outstanding unrealized gains or losses from hedges, options and other similar derivative arrangements or contracts.

"**One-year SOFR**" means in respect of any Loan or any Interest Period, the rate certified by the Lender as the daily secured overnight financing rate based on transactions in the Treasury repurchase market where investors offer banks overnight loans backed by the bond assets published by the SOFR Administrator on the SOFR Administrator's website of an amount comparable to that Loan or Interest for a period of one year and, if any such rate is below zero, SOFR will be deemed as zero.

"**Payment Conditions**" means "Payment Conditions" as defined in the Bangkok Bank Facility.

"**Purpose**" has a meaning given in clause 1.2.

"**Requirement of Law**" means, as to any person, any law, treaty, rule, restriction or regulation or determination of an arbitrator or a court or other Governmental Authority (including, without limitation, any federal, state or local environmental and employee benefit laws and regulations), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**SOFR Administrator**" means the Federal Reserve Bank of (or a successor administrator of the secured overnight financing rate).

"Specified Amount Payment Period" has the meaning ascribed thereto and defined in the Bangkok Bank Facility.

"**Term**" has a meaning given in clause 3.

"**Trailing Twelve Month Net Borrowings to EBITDAX**" means the past twelve consecutive months of the Borrower interesting-bearing debts to EBITDAX. Net borrowings mean the total book value of all long-term and short-term interest-bearing debts less cash and cash equivalents. EBITDAX means earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses.

"**Senior Administrative Agent**" means Bangkok Bank Public Company Limited, New York Branch in its capacity as administrative agent under the Bangkok Bank Facility.

"**Subordination Agreement**" means a subordination agreement in form and substance satisfactory to the Senior Administrative Agent to be dated the effective date of the Bangkok Bank Facility by and among the Borrower, Banpu North America Corporation, the Senior Administrative Agent and each other party thereto, as may be amended, restated, amended, supplemented or otherwise modified from time to time.

"**Subsidiaries**" means in relation to a company or corporation (the "first-mentioned company"), any company or corporation:

(i) which is controlled, directly or indirectly, by the first-mentioned company; or

(ii) more than half of the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another company or corporation if that other company or corporation is able to direct its affairs and/or control the composition of its board of directors or equivalent body.

1. Loan Facility

1.1 Prior to the date hereof, the Lender made available to the Borrower the Loan Facility in a single drawdown of **USD 116,000,000.00** (**One Hundred and Sixteen Million United States Dollars**).

1.2 The Borrower agrees that the Loan provided under this Agreement shall be expended solely for the purpose of paying off the outstanding preferred and common stock owned by OCM BKV Holdings, LLC (the "**Purpose**").

2. [Reserved]

3. Term

This Agreement shall be effective as from the Effective Date and shall continue full force effect until December 31, 2027 (the " **Term**") and the Original Agreement shall thereafter be of no further force and effect; *provided that* the incurrence by the Borrower of the Loan has been assumed by the Borrower and shall continue to exist under and be evidenced by this Agreement and shall be paid and performed as and when due under this Agreement; *provided further that* this Agreement will be automatically terminated if the Bangkok Bank Facility is not entered into and executed by the parties thereof no later than September 30, 2022, and upon occurrence of such early termination, the Parties agree that the Original Agreement shall be reinstated as a binding contract between the Parties hereto as if this Agreement has never been provided and executed by the Parties.

4. Interest

4.1 The Borrower shall pay to the Lender interest calculated from the amount of the Loan as of the date on which the Borrower receives or is deemed to have received the Loan until the date such amount has been fully repaid. The interest rate shall be a sum of one-year SOFR plus 5.25% per annum (the "**Interest Rate**"). The Parties agree that the interest shall be payable annually during the Specified Amount Payment Period, subject to the negative covenant conditions set out in Clause 6.18 of the Bangkok Bank Facility (the "**Interest Period**"). Upon the expiration of the Repayment Date, the payable interest shall become due and be paid together with the outstanding amount of the Loan.

4.2 If such one-year SOFR rate is no longer widely used or acceptable as a reference rate in the financial market, the Lender, with mutual written agreement with the Borrower and following market practice may specify another page or service displaying the comparable rate with a maturity comparable to such Interest Period after consultation with the Borrower.

4.3 Where the due date falls on a holiday of commercial banks of the Lender's country of residence or a non-Business Day declared by the Lender, the Borrower shall pay the interest on the Business Day immediately preceding such holiday or such non-Business Day, as the case may be.

4.4 The Interest Rate may be adjusted upon the change of bank interest reference rate as set forth in Section 4.1 and 4.2 above which shall be notified to the Borrower in writing from time to time.

4.5 Any amount payable by the Borrower pursuant to this Agreement which is not paid when due shall bear interest, payable on demand, from the due date of such amount until paid at a rate per annum equal to 3.00% per annum in excess of the Interest Rate. The interest on overdue amounts shall be calculated for the actual number of days elapsed on the basis of a year of 360 days.

5. Repayment

5.1 The Borrower shall repay the Loan and the outstanding accrued interest in one bullet payment to the Lender on the earlier of (i) the expiration date of the Term or (ii) or otherwise acts in accordance with clause 5.3 ("**Repayment Date**"). Notwithstanding the foregoing, the Loan shall not be repaid at any time which would violate the terms of the Bangkok Bank Facility, and any expiration date of the Term occurring at such time shall be automatically extended until such time as such repayment is no longer prohibited by the Bangkok Bank Facility.

5.2 Where the due date falls on a holiday of commercial banks of the Lender's country of residence or a non-Business Day declared by the Lender, the Borrower shall repay the Loan on the Business Day immediately preceding such holiday or such non-Business Day, as the case may be.

5.3 The Borrower may, at its sole discretion and subject to negative covenant conditions set out in Clause 6.18 of the Bangkok Bank Facility, repay the Loan at any time prior to the Repayment Date without any fee or penalty, provided that the Borrower shall so notify the Lender at least 3 Business Days in advance of the intended payment date.

5.4 The due amount of the Loan and any interest thereof shall be repaid and paid to the Lender by money transfer to the Lender's bank account or in accordance with the Lender's instruction. The Lender shall be deemed to having received the payment of interest and/or the repayment of the Loan upon the time such amount of payment and/or repayment become good fund to the Lender.

6. Costs and Expenses

Any costs or expenses incurred in connection with the preparation, execution and performance of this Agreement including but not limited to stamp duties and specific business taxes shall be borne by the Borrower. In the event that the Lender has paid for such costs, expenses, duties and taxes, the Borrower shall reimburse the Lender for such amount in full within three (3) Business Days after being informed by the Lender in writing.

7. Withholding Tax

In the event that the interest due to the Lender under this Agreement is subject to any withholding or deduction in respect of taxation, the Lender agrees that such withholding or deduction shall apply and the Borrower shall provide the Lender with a certificate evidencing such withholding or deduction.

8. Event of Default

8.1 Each of the following events and circumstances shall be considered as an Event of Default:

(a) Failure to pay: The Borrower fails to pay any sum payable under this Agreement when due or otherwise in accordance with the provisions hereof, unless the failure to pay is the result of a remittance error which is not caused by any fault of the Borrower and the failure is remedied within 5 Business Days after the due date for payment.

(b) Execution: A creditor takes possession of all or any part of the business or assets of the Borrower, or any execution, attachment or other legal process is enforced against all or any part of the business or assets of the Borrower and is not discharged within 60 days, or any order is made against the Borrower and is not complied with or discharged within 60 days (unless the order is subject to appeal and is contested by the Borrower in good faith).

(c) Inability to pay debts: The Borrower stops or suspends payments to its creditors or any class of its creditors, or is unable or under applicable law is deemed to be unable or admits its inability to pay its debts as they fall due, or commences any process for the relief of debtors, or is declared or becomes insolvent or bankrupt.

(d) Insolvency proceedings: A petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken for the winding-up, insolvency, bankruptcy, administration, reorganization or reconstruction of the Borrower or for the appointment of a liquidator, administrator, administrative receiver, receiver or similar officer of the Borrower or of all or any part of its business or assets.

(e) Analogous proceedings: Any event occurs in any jurisdiction which has an effect analogous to any of the events described in paragraphs (b) (*Execution*), (c) (*Inability to Pay Debts*) (d) (*Insolvency Proceedings*).

(f) Borrower's business: The Borrower ceases to carry on all or any substantial part of its business, or changes materially the nature or scope of its business, or disposes of all or any substantial part of its business or assets, or proposes to do any of the foregoing.

8.2 As a result of any Event of Default, any amount of the Loan, interest or any sum which are not due shall become due and payable immediately, and the Borrower agrees and accepts that the Lender may file a claim to seek immediate repayment and payment of any sum due hereunder without an advance notice to the Borrower.

9. Indemnity

9.1 General Indemnity

The Borrower shall indemnify the Lender against all losses, liabilities, damages, costs and expenses which the Lender may reasonably incur as a consequence of any Event of Default or any other breach by the Borrower of any of its obligations under this Agreement or any failure to drawdown the Loan in accordance with a drawdown notice or otherwise in connection with this Agreement (including any loss or expense incurred in liquidating or redeploying funds arranged or acquired for the purpose of advancing the Loan and any interest or fees incurred in funding any unpaid sum).

9.2 Currency Indemnity

(a) United States Dollar shall be the currency of account and payment in respect of sums payable by the Borrower under this Agreement. If any money is paid by the Borrower or received or recovered by the Lender under this Agreement in a currency other than the currency in which the indebtedness of or payment by the Borrower is due, then the Borrower shall pay such additional amount as may be necessary so that after conversion of all such money into the currency in which the relevant indebtedness or payment is due the Lender shall have net in hands an amount in that currency equal to that portion of the indebtedness then outstanding and due to the Lender.

(b) In the event that any judgment or order of any court of competent jurisdiction in any jurisdiction is given or made against the Borrower in respect of all or any part of money owing under this Agreement in a currency ("**Judgment Currency**") other than the currency in which the indebtedness of the Borrower is due ("**Contractual Currency**"), then the Borrower shall as a separate and independent liability indemnify and hold the Lender harmless against any deficiency resulting from any variation in rates of exchange between the Judgment Currency and Contractual Currency occurring between (i) the date as at which any money expressed in the Contractual Currency is converted, for the purpose of any such judgment or order, into an equivalent amount in the Judgment Currency and (ii) the date or dates of discharge of such money. If the amount of the Contractual Currency which the Lender is able to purchase by such Judgment Currency exceeds the sum originally due to the Lender, the Lender shall refund such excess to the Borrower.

10. Notice

10.1 Any notice required to be given by any Party hereto to any other shall be deemed validly served by hand delivery, electronic mail or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to its address given herein or such other address as may from time to time be notified for this purpose:

To the Lender: **Banpu North America Corporation**
1200, 17th Street, 21st Floor, Suite 2100,
Denver, Colorado 80202, United States of America
Attention: Mr. Thiti Mekavichai
Email: [***]

CC: 27th Floor, Thanapoom Tower
1550 New Petchburi Road,
Makkasan, Ratchathewi, Bangkok 10400,
Thailand Fax no. [***]

To the Borrower: **BKV Corporation**
1200, 17th Street, 21st Floor, Suite 2100,
Denver, Colorado 80202, United States of America
Attention: Mr. Chris Kalnin
Email: [***]

10.2 Any notice served by hand shall be deemed to have been served on delivery, or if served by facsimile transmission to have been served when sent, or if served by electronic mail to have been served when received with confirmation of receipt or if served by prepaid registered letter to have been served 48 hours (72 hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted. In proving the service by hand and prepaid registered letter, it shall be sufficient to prove if the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by facsimile transmission to prove if the transmission was confirmed as sent by the original machine.

11. Change of Law or Circumstances

If it becomes, or it becomes apparent that it is or will be, unlawful or contrary to any requirement of any governmental, fiscal, monetary or other authority (whether or not having the force of law) for the Lender to give effect to its obligations under this Agreement or to fund the Loan or any part thereof in the Lender's country of incorporation's interbank market, the Lender shall so notify the Borrower. Upon such notification the Facility shall be cancelled. The Borrower shall forthwith repay the Loan in full together with any accumulated interest.

12. [Reserved]

13. Representations and Warranties

13.1 The Borrower and the Lender each represents and warrants to the other that it is a company duly incorporated with limited liability and validly existing under the laws of the State of Delaware respectively has full power, authority and legal right to own its assets and to carry on its business.

13.2 The Borrower and the Lender each represents and warrants to the other that it has full power, authority and legal right, and all necessary corporate action has been taken in order to authorize each of the Borrower and the Lender, to enter into and to exercise its rights and perform its obligations under this Agreement.

13.3 The Borrower represents and warrants to the Lender that no consent, approval, permit exemption, or authorization of, filing with, or other act by or in respect of any other person (including the partners and creditors of the Borrower) or any Governmental Authority, is required in connection with making of the Loan hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement, except as may have been obtained or made and certified copies of which have been delivered to the Lender and each of which on the date of execution of this Agreement shall be in full force and effect.

13.4 The Borrower represents and warrants to the Lender that no Requirement of Law, contractual obligation, or judgment, decree or order of any Governmental Authority binding on the Borrower would be contravened by the execution, delivery, performance or enforcement of this Agreement. The execution, delivery and performance of this Agreement will not result in or require the creation of any lien or any properties owned by the Company.

13.5 There are no suits, actions, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its subsidiaries or their respective properties, which, if adversely determined, could have a material adverse effect on the Borrower's business or condition (financial or otherwise), taking into effect financial reserves and insurance policies maintained by the Borrower.

13.6 The Borrower and its Subsidiaries is in compliance with all Requirements of Law (including, without limitation, environmental laws) and all orders, writs, injunctions and decrees applicable to it or its properties, except in such instances in which (a) such Requirement of Law or order, writ, injunction or decrees is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect.

13.7 Neither the Borrower nor any of its Subsidiaries is in default in any material respect in the performance, observance or fulfillment of any obligation, covenant or condition in any agreement, document or instrument to which it is a party or by which it is bound. No default or Event of Default has occurred and is continuing and since the date of the most recent audited financial statements, no Material Adverse Effect has occurred and is continuing.

13.8 The Borrower and its Subsidiaries have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all due and payable taxes and assessments to the extent the failure to do so could be reasonably be expected to have a Material Adverse Effect, and no tax liens have been filed and no claims are being asserted with respect to such taxes which are required to be reflected in the financial statements, as these cases may be, and are not reflected therein.

13.9 The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies in such amounts with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar Properties in localities where the Borrower and its subsidiaries are located.

14. Covenants

14.1 The Borrower shall, as promptly as possible, give written notice to the Lender of:

(a) The occurrence of any Event of Default and any event which, with the passage of time or the giving of notice or both, would become an Event of Default, specifying the nature and period of existence thereof and the action that the Borrower is taking and proposes to take with respect thereto.

(b) Any investigation, action, suit, proceeding before any Governmental Authority, or any litigation, legal proceeding, dispute, circumstance or other matter which has resulted or could reasonably be expected to result in an Event of Default or have a Material Adverse Effect.

(c) Occurrence of any event that reasonably could be expected to have a Material Adverse Effect.

14.2 The proceeds of the Loan shall be used solely for the Purpose specified hereunder. None of such proceeds shall be used, directly or indirectly, for other purposes.

14.3 The Borrower shall at all times comply with all Requirements of Laws (including, without limitation, environmental laws); provided, however, that the Borrower shall not be deemed in default of this clause if such non-compliances individually or in the aggregate have no Material Adverse Effect.

14.4 Without the prior written consent of the Lender, the Borrower shall not, nor will it permit any Subsidiaries to, create, incur or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired.

14.5 The Borrower and its Subsidiaries shall not, without the prior written consent of the Lender, consummate any transaction of merger, amalgamation or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, sell, lease, license or otherwise dispose of, in one or a series of related transactions, all or substantially all of its property, or materially alter the nature of its business.

14.6 The Borrower will not, nor will it permit any Subsidiaries to, create, incur, assume or suffer to exist any indebtedness and guarantee (other than any indebtedness or guarantee created, incurred, assumed or suffered to exist in connection with the Bangkok Bank Facility or any other Loan Documents (as defined in the Bangkok Bank Facility)) unless granted a written consent of the Lender.

14.7 The Borrower shall not permit at any time the sum of Net Worth of the Borrower to be less than $800,000,000.

14.8 At all times after Effective Date, the Borrower shall not permit at any time the Trailing Twelve Month Net Borrowings to EBITDAX ratio to be greater than 3.0x.

14.9 Without the prior written consent of the Lender, the Borrower shall not, and shall not permit any Subsidiaries to, engage to any material extent in any business other than those businesses conducted by the Borrower and its subsidiaries on the date hereof or any business reasonably related or incidental thereto.

14.10 The Borrower shall, at least on semi-annual basis or upon the reasonable request by the Lender, submit the Lender the test result of the Payment Conditions in accordance with the terms and conditions set out in the Bangkok Bank Facility.

15. Miscellaneous

15.1 No failure or delay by the Lender in exercising its rights, powers, and privileges hereunder shall impair the same or operate as a waiver of the same, nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other rights, powers or privileges.

15.2 This Agreement shall be governed by and construed in accordance with the laws of New York.

15.3 Each notice or other communication under this Agreement shall be in English. Any other documents required to be delivered under this Agreement shall be in English.

15.4 The Borrower may not assign any of its rights, benefits and obligations under this Agreement. The Lender may at any time assign to any one or more all or any part of its rights and benefits arising out of this Agreement.

15.5 Any amendment or waiver of any provision of this Agreement and any waiver of any default under this Agreement shall only be effective if made in writing and signed by the Parties.

15.6 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the legality, validity and enforceability of such provision under the law of any other jurisdiction, and of the remaining provisions of this Agreement, shall have full force and effect and will not be affected or impaired thereby.

[*THE REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK*]

[*SIGNATURE PAGE FOLLOWS*]

This Agreement is made in duplicate, and the Parties hereto have read, understood and accepted the contents of this Agreement as thoroughly corresponding with their genuine intentions pertaining hereto. Thus, in witness whereof, the Parties hereto have set their hands and seals (if any) on this Agreement in the presence of witnesses below:

The Lender:

For and on behalf of
Banpu North America Corporation

/s/ Thiti Mekavichai
Thiti Mekavichai
Authorized Director

/s/ Somruedee Chaimongkol
Somruedee Chaimongkol
Authorized Director

The Borrower

For and on behalf of
BKV Corporation

/s/ Christopher P. Kalnin
Christopher P. Kalnin
CEO

APPENDIX 1

BANGKOK BANK FACILITY

Exhibit 10.3

Amended and Restated Loan Agreement

This Amended and Restated Loan Agreement (the "**Agreement**") is made and entered into on the 15th of June, 2022 by and between:

Parties:

1. **Banpu North America Corporation**, a company incorporated in the State of Delaware, and having its registered office at c/o Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, Delaware 19808, hereinafter referred to as the "**Lender**" of the one part; and

2. **BKV Corporation**, a company incorporated in the State of Delaware, and having its registered office at 1200, 17th Street, Tabor Center 1, 21st Floor, Suite 2100, City of Denver, Colorado 80202, hereinafter referred to as the "**Borrower**" of the other part.

The Lender and the Borrower each shall be individually referred to as the " **Party**" and collectively as the " **Parties**".

Whereas:

(i) The Borrower and the Lender previously entered into that certain Loan Agreement dated as of 10th March 2022, which provided for a term loan facility made available by the Lender to the Borrower (the "**Original Agreement**").

(ii) The Borrower has previously drawn down and received the Loan of USD 75,000,000 in accordance with the Original Agreement.

(iii) The Borrower plans to enter into the Bangkok Bank Facility (as defined below) and the Parties have agreed that the Loan hereof will be subordinated to the loan created under the Bangkok Bank Facility pursuant to a subordination agreement satisfactory to Bangkok Bank Public Company Limited, New York Branch in its capacity as administrative agent under the Bangkok Bank Facility.

NOW, THEREFORE, the Parties wish to amend and restate the Original Agreement by replacing it in its entirety with this Agreement from and on the Effective Date (as defined below) as follows:

Definitions:

"**Bangkok Bank Facility**" means a USD 600,000,000 term loan credit facility, substantially in the form attached hereto as Appendix 1, to be executed by and among the Borrower, the Senior Administrative Agent, and the lenders from time to time party thereto (as may be amended, restated, amended and restated, extended, supplemented, refinanced or otherwise modified in writing from time to time).

"**Business Day**" means the date which has not been declared as a public or bank holiday within the jurisdictions of incorporation of the Borrower and the Lender, including the date which is not declared as non-working day by either Party.

"**Credit Documents**" means this Agreement, and each other document, instrument and agreement executed and delivered pursuant to or in connection herewith or therewith.

"**Deposit**" means the deposit placed in accordance with the Sale and Purchase Agreement

"**Effective Date**" means the "Effective Date" as defined in the Bangkok Bank Facility.

"**Event of Default**" means events or circumstances described in clause 9.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof and any department, commission, board, bureau, instrumentality, agency or other entity exercising legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

"**IFRS**" means International Financial Reporting Standard as issued by the International Accounting Standards Board.

"**Interest**" has a meaning given in clause 4.

"**Interest Period**" has a meaning given in clause 4.1.

"**Interest Rate**" has a meaning given in clause 4.1.

"**Lien**" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien (statutory or otherwise), security interest, charge or other encumbrance or security or preferential arrangement of any nature whatsoever.

"**Loan**" means the total principal amount drawn by the Borrower prior to the date hereof under the Loan Facility.

"**Loan Facility**" means the total amount which the Lender has, according to terms and condition of this Agreement, lent to the Borrower.

"**Material Adverse Effect**" means a material adverse effect of any of (a) the business, operations, property, or condition (financial or otherwise) of the Borrower

and its subsidiaries (b) the ability of the Borrower to perform its obligations under any Credit Document to which it is a party, or (c) the validity, legality or enforceability of any Credit Document or any rights and remedies of the Lender under the Credit Documents.

"**Net Worth**" means, at any time, total assets minus total liabilities calculated in accordance with IFRS as of the end of each quarter excluding any outstanding unrealized gains or losses from hedges, options and other similar derivative arrangements or contracts.

"**One-year SOFR**" means in respect of any Loan or any Interest Period, the rate certified by the Lender as the daily secured overnight financing rate based on transactions in the Treasury repurchase market where investors offer banks overnight loans backed by the bond assets published by the SOFR Administrator on the SOFR Administrator's website of an amount comparable to that Loan or Interest for a period of one year and, if any such rate is below zero, SOFR will be deemed as zero.

"**Payment Conditions**" means "Payment Conditions" as defined in the Bangkok Bank Facility.

"**Purpose**" has a meaning given in clause 1.2.

"**Purchaser**" means the purchaser to the Sale and Purchase Agreement.

"**Requirement of Law**" means, as to any person, any law, treaty, rule, restriction or regulation or determination of an arbitrator or a court or other Governmental Authority (including, without limitation, any federal, state or local environmental and employee benefit laws and regulations), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Sale and Purchase Agreement**" means the sale and purchase agreement that will be execute or executed between BKV Corporation and XTO Energy Inc. for the acquisition of shale gas assets from XTO Energy Inc.

"**SOFR Administrator**" means the Federal Reserve Bank of (or a successor administrator of the secured overnight financing rate).

"Specified Amount Payment Period" has the meaning ascribed thereto and defined in the Bangkok Bank Facility.

"**Term**" has a meaning given in clause 3.

"**Trailing Twelve Month Net Borrowings to EBITDAX**" means the past twelve consecutive months of the Borrower interesting-bearing debts to EBITDAX. Net borrowings mean the total book value of all long-term and short-term interest-bearing debts less cash and cash equivalents. EBITDAX means earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses.

"**Senior Administrative Agent**" means Bangkok Bank Public Company Limited, New York Branch in its capacity as administrative agent under the Bangkok Bank Facility.

"**Subordination Agreement**" means a subordination agreement in form and substance satisfactory to the Senior Administrative Agent to be dated the effective date of the Bangkok Bank Facility by and among the Borrower, Banpu North America Corporation, the Senior Administrative Agent and each other party thereto, as may be amended, restated, amended, supplemented or otherwise modified from time to time.

"**Subsidiaries**" means in relation to a company or corporation (the "first-mentioned company"), any company or corporation:

(i) which is controlled, directly or indirectly, by the first-mentioned company; or

(ii) more than half of the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another company or corporation if that other company or corporation is able to direct its affairs and/or control the composition of its board of directors or equivalent body.

1. Loan Facility

1.1 Prior to the date hereof, the Lender made available to the Borrower the Loan Facility in a single drawdown of **USD 75,000,000.00** (**Seventy Five Million United States Dollars**).

1.2 The Borrower agrees that the Loan provided under this Agreement shall be expended solely for the purpose of paying for the deposit to acquire shale gas assets from XTO Energy Inc. (the "**Purpose**").

2. [Reserved]

3. Term

This Agreement shall be effective as from the Effective Date and shall continue full force effect until December 31, 2027 (the " **Term**") and the Original Agreement shall thereafter be of no further force and effect; *provided that* the incurrence by the Borrower of the Loan has been assumed by the Borrower

and shall continue to exist under and be evidenced by this Agreement and shall be paid and performed as and when due under this Agreement; *provided further that* this Agreement will be automatically terminated if the Bangkok Bank Facility is not entered into and executed by the parties thereof no later than September 30, 2022, and upon occurrence of such early termination, the Parties agree that the Original Agreement shall be reinstated as a binding contract between the Parties hereto as if this Agreement has never been provided and executed by the Parties.

4. Interest

4.1 The Borrower shall pay to the Lender interest calculated from the amount of the Loan as of the date on which the Borrower receives or is deemed to have received the Loan until the date such amount has been fully repaid. The interest rate shall be a sum of one-year SOFR plus 5.25% per annum (the "**Interest Rate**"). The Parties agree that the interest shall be payable annually during the Specified Amount Payment Period, subject to the negative covenant conditions set out in Clause 6.18 of the Bangkok Bank Facility (the "**Interest Period**"). Upon the expiration of the Term, the payable interest shall become due and be paid together with the outstanding amount of the Loan.

4.2 If such one-year SOFR rate is no longer widely used or acceptable as a reference rate in the financial market, the Lender, with mutual written agreement with the Borrower and following market practice may specify another page or service displaying the comparable rate with a maturity comparable to such Interest Period after consultation with the Borrower.

4.3 Where the due date falls on a holiday of commercial banks of the Lender's country of residence or a non-Business Day declared by the Lender, the Borrower shall pay the interest on the Business Day immediately preceding such holiday or such non-Business Day, as the case may be.

4.4 Any amount payable by the Borrower pursuant to this Agreement which is not paid when due shall bear interest, payable on demand, from the due date of such amount until paid at a rate per annum equal to 3.00% per annum in excess of the Interest Rate. The interest on overdue amounts shall be calculated for the actual number of days elapsed on the basis of a year of 360 days.

5. Repayment

5.1 The Borrower shall repay the Loan, together with any outstanding and accrued interest, in one bullet payment to the Lender on the expiration date of the Term or otherwise acts in accordance with clause 5.3 ("**Repayment Date**"). Notwithstanding the foregoing, the Loan shall not be repaid at any time which would violate the terms of the Bangkok Bank Facility, and any expiration date of the Term occurring at such time shall be automatically extended until such time as such repayment is no longer prohibited by the Bangkok Bank Facility.

5.2 Where the due date falls on a holiday of commercial banks of the Lender's country of residence or a non-Business Day declared by the Lender, the Borrower shall repay the Loan on the Business Day immediately preceding such holiday or such non-Business Day, as the case may be.

5.3 The Borrower may, at its sole discretion and subject to negative covenant conditions set out in Clause 6.18 of the Bangkok Bank Facility, repay the Loan at any time prior to the Repayment Date without any fee or penalty, provided that the Borrower shall so notify the Lender at least 3 Business Days in advance of the intended payment date.

Notwithstanding the foregoing, but subject to Section 6.18 of the Bangkok Bank Facility, if, before the expiration of the Term, the Deposit has been returned to the Purchaser in accordance with the Sale and Purchase Agreement, the Borrower shall repay the Loan then outstanding and interest accrued thereon, within 15 (Fifteen) days after the date of the Purchaser's receipt of the Deposit or such earlier date as the Borrower (acting reasonably and in good faith) may agree with the Lender (being no earlier than the last day of any applicable grace period permitted by law).

5.4 The due amount of the Loan and any interest thereof shall be repaid and paid to the Lender by money transfer to the Lender's bank account or in accordance with the Lender's instruction. The Lender shall be deemed to having received the payment of interest and/or the repayment of the Loan upon the time such amount of payment and/or repayment become good fund to the Lender.

6. Costs and Expenses

Any costs or expenses incurred in connection with the preparation, execution and performance of this Agreement including but not limited to stamp duties and specific business taxes shall be borne by the Borrower. In the event that the Lender has paid for such costs, expenses, duties and taxes, the Borrower shall reimburse the Lender for such amount in full within three (3) Business Days after being informed by the Lender in writing.

7. Withholding Tax

In the event that the interest due to the Lender under this Agreement is subject to any withholding or deduction in respect of taxation, the Lender agrees that such withholding or deduction shall apply and the Borrower shall provide the Lender with a certificate evidencing such withholding or deduction.

8. Event of Default

8.1 Each of the following events and circumstances shall be considered as an Event of Default:

(a) Failure to pay: The Borrower fails to pay any sum payable under this Agreement when due or otherwise in accordance with the provisions hereof, unless the failure to pay is the result of a remittance error which is not caused by any fault of the Borrower and the failure is remedied within 5 Business Days after the due date for payment.

(b) Execution: A creditor takes possession of all or any part of the business or assets of the Borrower, or any execution, attachment or other legal process is enforced against all or any part of the business or assets of the Borrower and is not discharged within 60 days, or any order is made against the Borrower and is not complied with or discharged within 60 days (unless the order is subject to appeal and is contested by the Borrower in good faith).

(c) Inability to pay debts: The Borrower stops or suspends payments to its creditors or any class of its creditors, or is unable or under applicable law is deemed to be unable or admits its inability to pay its debts as they fall due, or commences any process for the relief of debtors, or is declared or becomes insolvent or bankrupt.

(d) Insolvency proceedings: A petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken for the winding-up, insolvency, bankruptcy, administration, reorganization or reconstruction of the Borrower or for the appointment of a liquidator, administrator, administrative receiver, receiver or similar officer of the Borrower or of all or any part of its business or assets.

(e) Analogous proceedings: Any event occurs in any jurisdiction which has an effect analogous to any of the events described in paragraphs (b) (*Execution*), (c) (*Inability to Pay Debts*) (d) (*Insolvency Proceedings*).

(f) Borrower's business: The Borrower ceases to carry on all or any substantial part of its business, or changes materially the nature or scope of its business, or disposes of all or any substantial part of its business or assets, or proposes to do any of the foregoing.

8.2 As a result of any Event of Default, any amount of the Loan, interest or any sum which are not due shall become due and payable immediately, and the Borrower agrees and accepts that the Lender may file a claim to seek immediate repayment and payment of any sum due hereunder without an advance notice to the Borrower.

9. Indemnity

9.1 General Indemnity

The Borrower shall indemnify the Lender against all losses, liabilities, damages, costs and expenses which the Lender may reasonably incur as a consequence of any Event of Default or any other breach by the Borrower of any of its obligations under this Agreement or any failure to drawdown the Loan in accordance with a drawdown notice or otherwise in connection with this Agreement (including any loss or expense incurred in liquidating or redeploying funds arranged or acquired for the purpose of advancing the Loan and any interest or fees incurred in funding any unpaid sum).

9.2 Currency Indemnity

(a) United States Dollar shall be the currency of account and payment in respect of sums payable by the Borrower under this Agreement. If any money is paid by the Borrower or received or recovered by the Lender under this Agreement in a currency other than the currency in which the indebtedness of or payment by the Borrower is due, then the Borrower shall pay such additional amount as may be necessary so that after conversion of all such money into the currency in which the relevant indebtedness or payment is due the Lender shall have net in hands an amount in that currency equal to that portion of the indebtedness then outstanding and due to the Lender.

(b) In the event that any judgment or order of any court of competent jurisdiction in any jurisdiction is given or made against the Borrower in respect of all or any part of money owing under this Agreement in a currency ("**Judgment Currency**") other than the currency in which the indebtedness of the Borrower is due ("**Contractual Currency**"), then the Borrower shall as a separate and independent liability indemnify and hold the Lender harmless against any deficiency resulting from any variation in rates of exchange between the Judgment Currency and Contractual Currency occurring between (i) the date as at which any money expressed in the Contractual Currency is converted, for the purpose of any such judgment or order, into an equivalent amount in the Judgment Currency and (ii) the date or dates of discharge of such money. If the amount of the Contractual Currency which the Lender is able to purchase by such Judgment Currency exceeds the sum originally due to the Lender, the Lender shall refund such excess to the Borrower.

10. Notice

10.1 Any notice required to be given by any Party hereto to any other shall be deemed validly served by hand delivery, electronic mail or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to its address given herein or such other address as may from time to time be notified for this purpose:

To the Lender: **Banpu North America Corporation**
1200, 17th Street, 21st Floor, Suite 2100,
Denver, Colorado 80202, United States of America
Attention: Mr. Thiti Mekavichai
Email: [***]

CC: 27th Floor, Thanapoom Tower
1550 New Petchburi Road,
Makkasan, Ratchathewi, Bangkok 10400,
Thailand Fax no. [***]

To the Borrower: **BKV Corporation**
1200, 17th Street, 21st Floor, Suite 2100,
Denver, Colorado 80202, United States of America
Attention: Mr. Chris Kalnin
Email: [***]

10.2 Any notice served by hand shall be deemed to have been served on delivery, or if served by facsimile transmission to have been served when sent, or if served by electronic mail to have been served when received with confirmation of receipt or if served by prepaid registered letter to have been served 48 hours (72 hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted. In proving the service by hand and prepaid registered letter, it shall be sufficient to prove if the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by facsimile transmission to prove if the transmission was confirmed as sent by the original machine.

11. Change of Law or Circumstances

If it becomes, or it becomes apparent that it is or will be, unlawful or contrary to any requirement of any governmental, fiscal, monetary or other authority (whether or not having the force of law) for the Lender to give effect to its obligations under this Agreement or to fund the Loan or any part thereof in the Lender's country of incorporation's interbank market, the Lender shall so notify the Borrower. Upon such notification the Facility shall be cancelled. The Borrower shall forthwith repay the Loan in full together with any accumulated interest.

12. [Reserved]

13. Representations and Warranties

13.1 The Borrower and the Lender each represents and warrants to the other that it is a company duly incorporated with limited liability and validly existing under the laws of the State of Delaware respectively has full power, authority and legal right to own its assets and to carry on its business.

13.2 The Borrower and the Lender each represents and warrants to the other that it has full power, authority and legal right, and all necessary corporate action has been taken in order to authorize each of the Borrower and the Lender, to enter into and to exercise its rights and perform its obligations under this Agreement.

13.3 The Borrower represents and warrants to the Lender that no consent, approval, permit exemption, or authorization of, filing with, or other act by or in respect of any other person (including the partners and creditors of the Borrower) or any Governmental Authority, is required in connection with making of the Loan hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement, except as may have been obtained or made and certified copies of which have been delivered to the Lender and each of which on the date of execution of this Agreement shall be in full force and effect.

13.4 The Borrower represents and warrants to the Lender that no Requirement of Law, contractual obligation, or judgment, decree or order of any Governmental Authority binding on the Borrower would be contravened by the execution, delivery, performance or enforcement of this Agreement. The execution, delivery and performance of this Agreement will not result in or require the creation of any lien or any properties owned by the Company.

13.5 There are no suits, actions, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its subsidiaries or their respective properties, which, if adversely determined, could have a material adverse effect on the Borrower's business or condition (financial or otherwise), taking into effect financial reserves and insurance policies maintained by the Borrower.

13.6 The Borrower and its Subsidiaries is in compliance with all Requirements of Law (including, without limitation, environmental laws) and all orders, writs, injunctions and decrees applicable to it or its properties, except in such instances in which (a) such Requirement of Law or order, writ, injunction or decrees is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have Material Adverse Effect.

13.7 Neither the Borrower nor any of its Subsidiaries is in default in any material respect in the performance, observance or fulfillment of any obligation, covenant or condition in any agreement, document or instrument to which it is a party or by which it is bound. No default or Event of Default has occurred and is continuing and since the date of the most recent audited financial statements, no Material Adverse Effect has occurred and is continuing.

13.8 The Borrower and its Subsidiaries have filed or caused to be filed all tax returns required to be filed, and have paid, or have made adequate provision for the payment of, all due and payable taxes and assessments to the extent the failure to do so could be reasonably be expected to have a Material Adverse Effect, and no tax liens have been filed and no claims are being asserted with respect to such taxes which are required to be reflected in the financial statements, as these cases may be, and are not reflected therein.

13.9 The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies in such amounts with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar Properties in localities where the Borrower and its subsidiaries are located.

14. Covenants

14.1 The Borrower shall, as promptly as possible, give written notice to the Lender of:

(a) The occurrence of any Event of Default and any event which, with the passage of time or the giving of notice or both, would become an Event of Default, specifying the nature and period of existence thereof and the action that the Borrower is taking and proposes to take with respect thereto.

(b) Any investigation, action, suit, proceeding before any Governmental Authority, or any litigation, legal proceeding, dispute, circumstance or other matter which has resulted or could reasonably be expected to result in an Event of Default or have a Material Adverse Effect.

(c) Occurrence of any event that reasonably could be expected to have a Material Adverse Effect.

14.2 The proceeds of the Loan shall be used solely for the Purpose specified hereunder. None of such proceeds shall be used, directly or indirectly, for other purposes.

14.3 The Borrower shall at all times comply with all Requirements of Laws (including, without limitation, environmental laws); provided, however, that the Borrower shall not be deemed in default of this clause if such non-compliances individually or in the aggregate have no Material Adverse Effect.

14.4 Without the prior written consent of the Lender, the Borrower shall not, nor will it permit any Subsidiaries to, create, incur or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired.

14.5 The Borrower and its Subsidiaries shall not, without the prior written consent of the Lender, consummate any transaction of merger, amalgamation or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, sell, lease, license or otherwise dispose of, in one or a series of related transactions, all or substantially all of its property, or materially alter the nature of its business.

14.6 The Borrower will not, nor will it permit any Subsidiaries to, create, incur, assume or suffer to exist any indebtedness and guarantee (other than any indebtedness or guarantee created, incurred, assumed or suffered to exist in connection with the Bangkok Bank Facility or any other Loan Documents (as defined in the Bangkok Bank Facility)) unless granted a written consent of the Lender.

14.7 The Borrower shall not permit at any time the sum of Net Worth of the Borrower to be less than $800,000,000.

14.8 At all times after Effective Date, the Borrower shall not permit at any time the Trailing Twelve Month Net Borrowings to EBITDAX ratio to be greater than 3.0x.

14.9 Without the prior written consent of the Lender, the Borrower shall not, and shall not permit any Subsidiaries to, engage to any material extent in any business other than those businesses conducted by the Borrower and its subsidiaries on the date hereof or any business reasonably related or incidental thereto.

14.10 The Borrower shall, at least on semi-annual basis or upon the reasonable request by the Lender, submit the Lender the test result of the Payment Conditions in accordance with the terms and conditions set out in the Bangkok Bank Facility.

15. Miscellaneous

15.1 No failure or delay by the Lender in exercising its rights, powers, and privileges hereunder shall impair the same or operate as a waiver of the same, nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other rights, powers or privileges.

15.2 This Agreement shall be governed by and construed in accordance with the laws of New York.

15.3 Each notice or other communication under this Agreement shall be in English. Any other documents required to be delivered under this Agreement shall be in English.

15.4 The Borrower may not assign any of its rights, benefits and obligations under this Agreement. The Lender may at any time assign to any one or more all or any part of its rights and benefits arising out of this Agreement.

15.5 Any amendment or waiver of any provision of this Agreement and any waiver of any default under this Agreement shall only be effective if made in writing and signed by the Parties.

15.6 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, the legality, validity and enforceability of such provision under the law of any other jurisdiction, and of the remaining provisions of this Agreement, shall have full force and effect and will not be affected or impaired thereby.

[*THE REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK*]

[*SIGNATURE PAGE FOLLOWS*]

This Agreement is made in duplicate, and the Parties hereto have read, understood and accepted the contents of this Agreement as thoroughly corresponding with their genuine intentions pertaining hereto. Thus, in witness whereof, the Parties hereto have set their hands and seals (if any) on this Agreement in the presence of witnesses below:

The Lender:

For and on behalf of
Banpu North America Corporation

/s/ Thiti Mekavichai
Thiti Mekavichai
Authorized Director

/s/ Somruedee Chaimongkol
Somruedee Chaimongkol
Authorized Director

The Borrower

For and on behalf of
BKV Corporation

/s/ Christopher P. Kalnin
Christopher P. Kalnin
CEO

APPENDIX 1

BANGKOK BANK FACILITY

Exhibit 10.4

Execution Version

REVOLVING CREDIT AGREEMENT

dated as of

August 24, 2022

among

BKV CORPORATION
as Borrower

The Lenders Party Hereto

and

BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH
as Administrative Agent

TABLE OF CONTENTS

Page

REVOLVING CREDIT AGREEMENT (this "Agreement") dated as of August 24, 2022 among BKV CORPORATION, as Borrower, the LENDERS from time to time party hereto and BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01.Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Revolving Loan or Borrowing, refers to whether such Borrowing, or the Revolving Loans comprising such Borrowing, bears interest at a rate determined by reference to the Alternate Base Rate.

"ABR Revolving Loan" means a Revolving Loan that bears interest at a rate based on the ABR.

"Acreage Swap" means any concurrent purchase and sale or exchange of Oil and Gas Properties between any Loan Party and another Person.

"Adjusted Daily Simple RFR" means with respect to any RFR Borrowing, an interest rate per annum equal to (a) the Daily Simple RFR, plus (b) 0.10 %; *provided* that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Stockholders' Equity" means stockholders' equity of the Borrower and its Consolidated Subsidiaries as determined pursuant to GAAP, adjusted to exclude in the calculation thereof any accumulated change in the fair market value of unrealized earnout obligations consisting of the Subject Payments and accumulated net unrealized gain or loss (after any offset) resulting from Swap Agreements and the application of Accounting Standards Codification Topic No. 815, Derivatives and Hedging.

"Adjusted Term SOFR Rate" means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; *provided* that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be the Floor for the purposes of this Agreement.

"Administrative Agent" means Bangkok Bank Public Company Limited, New York Branch, in its capacity as administrative agent for the Lenders hereunder, and any successor in such capacity pursuant to Article 8.05.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. "Affiliated" shall have a corresponding meaning.

"Agreement" has the meaning assigned to such term in the preamble hereto.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 0.50% and (c) the Adjusted Term SOFR Rate for a one-month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%; *provided* that, for the purpose of

this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 6:00 a.m. New York time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.11(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Amended and Restated Shareholder Loan Agreements" means (a) that certain Amended and Restated Loan Agreement, dated as of June 15, 2022, by and between Banpu North America, as lender, and the Borrower, as borrower, pursuant to which Banpu North America made a term loan in the aggregate principal amount of $116,000,000 and (b) the XTO Acquisition Subordinated Shareholder Loan Agreement.

"Amended and Restated Shareholder Loans" means the loans incurred by the Borrower pursuant to the Amended and Restated Shareholder Loan Agreements (including the XTO Acquisition Subordinated Shareholder Loans).

"Ancillary Document" has the meaning assigned to such term in Section 9.06.

"Annual Payment Date" shall have the meaning assigned to such term in the Term Loan Credit Agreement.

"Anti-Corruption Laws" means all Requirements of Law of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, (including, without limitation, the FCPA).

"Anti-Terrorism Laws" means all Requirements of Law of any jurisdiction related to terrorism financing or money laundering, including the Patriot Act, The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) and Executive Order 13224 (effective September 24, 2001).

"Applicable Percentage" means, with respect to any Lender at any time, a percentage (carried out to the ninth decimal place) equal to a fraction (a) the numerator of which is an amount equal to such Lender's Credit Exposure at such time and (b) the denominator of which is an amount equal to the Credit Exposures of all Lenders at such time; provided that, in each case, when a Defaulting Lender shall exist, "Applicable Percentage" shall disregard any Defaulting Lender's Credit Exposure.

"Applicable Rate" means 4.75% per annum.

"Approved Electronic Platform" has the meaning assigned to such term in Section 8.03(a).

"Approved Petroleum Engineers" means (a) Ryder Scott Company, L.P. and (b) any other independent petroleum engineers reasonably acceptable to the Administrative Agent.

"Approved Swap Counterparty" means (a) any Person whose (or whose credit support provider's) long term senior unsecured debt rating or issuer rating at the time the relevant Swap Agreement is entered into is A- or higher by S&P or A3 or higher by Moody's (or their equivalent) or (b) any counterparty to a Swap Agreement with the Borrower or any Subsidiary of the Borrower that is acceptable to the Administrative Agent at the time such Swap Agreement is entered into.

"Asset Coverage Ratio" means, as of any date, the ratio of (a) Total Proved PV-10 as of such date to (b) Specified Total Indebtedness as of such date.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit B, or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Available Cash" means, as of any date of determination, all cash and Cash Equivalents of the Borrower or any of its Subsidiaries as of such date, other than any such cash or Cash Equivalents that would appear as "restricted" on a consolidated balance sheet of the Borrower or any of its Subsidiaries.

"Available Tenor" means, as of any date of determination and with respect to the then- current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an interest period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.11.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Banpu" means Banpu Public Company Limited, a public company registered in Thailand.

"Banpu North America" means Banpu North America Corporation, a Delaware corporation.

"Benchmark" means, initially, (a) with respect to any Term Benchmark Loan, the Term SOFR Rate and (b) with respect to any RFR Revolving Loan, the Adjusted Daily Simple RFR; *provided* that if a Benchmark Transition Event and the related Benchmark Replacement Date have occurred with respect to the Term SOFR Rate, the Adjusted Daily Simple RFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.11(b).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple RFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable interest period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in Dollars at such time.

"Benchmark Replacement Conforming Changes" means, with respect to Term SOFR Rate and/or any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day", the definition of "U.S. Government Securities Business Day", the definition of "Interest Period," the definition of "Interest Payment Date", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, changes to Section 2.05 to reflect one interest rate applicable to all Revolving Loans, and other technical, administrative or operational matters) that the Administrative Agent (in consultation with the Borrower) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent (in consultation with the Borrower) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the

Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component), or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 CFR § 1010.230.

"BKV-BPP" means BKV-BPP Power, LLC, a Delaware limited liability company.

"BKV-Temple Loan Agreement" means that certain Loan Agreement, dated as of December 23, 2021, by and among the Borrower and Temple Generation I LLC.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means BKV Corporation, a Delaware corporation.

"Borrower Reimbursement Conditions" shall mean, with respect to any Borrowing:

(a) the Borrower shall have delivered to the Administrative Agent a certificate (in form and substance satisfactory to the Administrative Agent) (i) certifying that the amounts (the "Reimbursed Invoiced Amounts") owing to the applicable Payees (other than Specified Royalty Payments) in connection with such Borrowing have been paid to the respective Payees prior to the date of such Borrowing, (ii) certifying, and providing calculations showing, that the amount of the requested Borrowing does not exceed 110% of such Reimbursed Invoiced Amounts (for the avoidance of doubt, including any Specified Royalty Payments) and (iii) certifying that the Borrower will pay to the applicable Payees of any Specified Royalty Payment such Specified Royalty Payment on or prior to the last day of the month in which such Borrowing occurs; and

(b) the Administrative Agent shall in its sole discretion approve the direct disbursement of Revolving Loan proceeds to the Borrower instead of the applicable Payee(s).

"Borrowing" means Revolving Loans made on the same date.

"Borrowing Request" means a written request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form attached hereto as Exhibit D or any other form approved by the Administrative Agent.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City, are authorized or required by law to remain closed; *provided* that, when used in connection with a Term Benchmark Loan or RFR Revolving Loan, the term " Business Day" shall also exclude any day that is not a U.S. Government Securities Business Day.

"Capital Expenditures" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition or improvement of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations) classified and accounted for as a capital expenditure on the statement of cash flow of such Person in accordance with GAAP, but excluding any payments made as consideration for any merger or consolidation with any other Person or any acquisition of the Equity Interests in any other Person.

"Capital Lease Obligations" of any Person means, subject to Section 1.03, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital lease obligations on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means, as at any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one year after such date; (b) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (c) commercial paper having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody's; (d) deposits maturing within one year from the date of creation thereof with, including certificates of deposit issued by, any Lender or any office located in the United States of any other bank or trust company which is organized under the laws of the United States or any state thereof, has capital, surplus and undivided profits aggregating at least $100,000,000 (as of the date of such bank or trust company's most recent financial reports) and has a short term deposit rating of no lower than A-2 or P-2, as such rating is set forth from time to time, by S&P or Moody's, respectively; and (e) deposits in money market funds investing exclusively in Investments described in clauses (b), (c) or (d) above.

"Cashflow Projection" means a projection of the cash flow of the Borrower and its Consolidated Subsidiaries, in form and detail acceptable to the Administrative Agent.

"Casualty Event" means any loss, casualty or other insured damage to, or any nationalization, taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, state and local analogs, and all rules and regulations and requirements thereunder in each case as now or hereafter in effect.

"Change in Control" means an event or series of events by which:

(a) at any time prior to the consummation of a Qualified IPO, the Permitted Holders collectively shall cease to directly or indirectly own, or cease to have the power to vote or direct the voting of, Equity Interests of the Borrower representing at least 75% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower on a fully- diluted basis;

(b) at any time after the consummation of a Qualified IPO, the Permitted Holders collectively shall cease to directly or indirectly own, or cease to have the power to vote or direct the voting of, Equity Interests of the Borrower representing at least 51% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower on a fully- diluted basis; or

(c) any of the Equity Interests of the Borrower owned by any Permitted Holder becomes subject to any Lien (other than Liens securing the Obligations).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Charges" has the meaning assigned to such term in Section 9.15.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term SOFR (or a successor administrator).

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

"Commitment" means a Revolving Loan Commitment.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to Section 8.03(c), including through an Approved Electronic Platform.

"Compliance Certificate" means a certificate of a Financial Officer of the Borrower substantially in the form attached hereto as Exhibit E.

"Concord" means Concord Energy, LLC.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means, with reference to any period, the sum of the following: (a) Consolidated Net Income for such period plus (b) without duplication and to the extent deducted from revenues in determining Consolidated Net Income for such period, (i) Consolidated Interest Expense, (ii) expense for income, margin, franchise and similar taxes paid or accrued, (iii) depreciation, (iv) depletion, (v) amortization and (vi) other non-cash charges (except to the extent that such non-cash charges are reserved for cash charges to be taken in the future), minus (c) to the extent included in Consolidated Net Income for such period, (i) interest income, (ii) income tax credits and refunds (to the extent not netted from income tax expense) and (iii) non-cash gains and other non-cash items increasing Consolidated Net Income (other than any such non-cash gains on items to the extent representing the reversal of an accrual or reserve for a potential cash charge in any prior period), all calculated for the Borrower and its Subsidiaries in accordance with GAAP on a consolidated basis. For purposes of calculating Consolidated EBITDA for any period, if at any time during such period the Borrower or any of its Subsidiaries shall have made any Material Disposition or Material Acquisition, Consolidated EBITDA for such period shall be calculated giving pro forma effect thereto as if such Material Disposition or Material Acquisition had occurred on the first day of such period (such pro forma effect to be determined without giving effect to any anticipated or proposed change in operations, revenues, expenses or other items included in the calculation of Consolidated EBITDA, except with the consent of the Administrative Agent), and such pro forma effect shall be determined in a manner otherwise acceptable to the Administrative Agent and with supporting documentation acceptable to the Administrative Agent.

"Consolidated Fixed Charge Coverage Ratio" means, as of the last day of any Test Period, the ratio, determined on a consolidated basis for the Borrower and its Subsidiaries for such Test Period, of (a) (i) Consolidated EBITDA for such Test Period *plus* (ii) cash held by the Borrower and its Subsidiaries as of the commencement of such Test Period *minus* (iii) the sum of (without duplication) (A) the current portion of any Indebtedness of the Borrower and its Subsidiaries as of such date (other than the current portion of any Term Loans and any current contingent Indebtedness), (B) the aggregate principal amount of any Indebtedness incurred pursuant to Section 6.01(j) and outstanding as of such date and (C) the aggregate amount of the Subject Payments and any other contingent Indebtedness and/or earnout obligations incurred by the Borrower or its Subsidiaries in connection with any Investment (other than any current contingent Indebtedness) to (b) Consolidated Fixed Charges for such Test Period.

"Consolidated Fixed Charges" means, with respect to any Test Period, the sum of (a) Consolidated Interest Expense for such Test Period, (b) scheduled principal payments of borrowed money (including the Term Loans) made during such Test Period, (c) Capital Expenditures made during such Test Period, (d) any federal and state income taxes paid in cash for such Test Period, and (e) cash payments in respect of Capital Lease Obligations made during such Test Period.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries allocable to such period in accordance with GAAP (including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and net costs under interest rate Swap Agreements to the extent such net costs are allocable to such period in accordance with GAAP). In the event that the Borrower or any of its Subsidiaries shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant period, Consolidated Interest Expense shall be determined for such period on a pro forma basis as if such acquisition or Disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from such net income (to the extent otherwise included therein) the following: (a) the net income of any Person in which the Borrower or any of its Subsidiaries has an interest (which interest does not cause the net income of such other Person to be consolidated with the net income of the Borrower and its Subsidiaries in accordance with GAAP), except to the extent of the amount of dividends or distributions actually paid in cash during such period by such other Person to the Borrower or a Subsidiary; (b) the undistributed earnings during such period of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions or transfers or loans by that Subsidiary is not at the time permitted by operation of the terms of its charter or any agreement, instrument or Governmental Requirement applicable to such Subsidiary or is otherwise restricted or prohibited; (c) the net income (or loss) of any Person acquired in a pooling of interests transaction for any period prior to the date of such transaction; (d) any extraordinary or non-recurring gains or losses during such period; (e) any gains or losses attributable to write-ups or writedowns of assets (including ceiling test writedowns); and (f) any net unrealized gain or loss (after any offset) resulting in such period from Swap Agreements and the application of Accounting Standards Codification Topic No. 815, Derivatives and Hedging.

"Consolidated Subsidiaries" means each Subsidiary of the Borrower (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of the Borrower in accordance with GAAP.

"Control" means the possession, directly or indirectly, of (i) the power to direct or cause the direction of the management or policies of a Person,

whether through the ability to exercise voting power, by contract or otherwise or (ii) the power to vote or direct the voting of Equity Interests representing ten percent (10%) or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of a Person on a fully-diluted basis. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor", with respect to any Available Tenor, means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Exposure" means, as to any Lender at any time, an amount equal to the sum of (a) the unused Commitment of such Lender at such time plus (b) the aggregate principal amount of such Lender's Revolving Loans outstanding at such time.

"Credit Party" means the Administrative Agent or any other Lender.

"Cure Election Period" has the meaning assigned to such term in Section 7.02(a)(i).

"Cure Month" has the meaning assigned to such term in Section 7.02(b).

"Cure Period" has the meaning assigned to such term in Section 7.02(a).

"Cure Period Start Date" means, with respect to any Cure Quarter, the first day following the end of such Cure Quarter.

"Cure Quarter" has the meaning assigned to such term in Section 7.02(a).

"Cure Right" has the meaning assigned to such term in Section 7.02(a).

"Daily Simple RFR" means for any day, an interest rate per annum equal to, for any RFR Revolving Loan, Daily Simple SOFR.

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day that is five (5) U.S. Government Securities Business Days (with observation shift) prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Revolving Loans or (ii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Revolving Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party or the Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Revolving Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it, (d) has become the subject of a Bankruptcy Event or (e) has become the subject of a Bail-in Action.

"Devon Earn-Out Obligations" means the earnout obligations described in Section 3.1 of that certain Purchase and Sale Agreement between Devon Energy Production Company, L.P. and BKV Barnett, LLC dated December 17, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement dated April 13, 2020.

"Disposition" or "Dispose" means the sale, transfer, exchange, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a Division or otherwise) of any property by any Person (including any Sale and Leaseback Transaction and any issuance of Equity Interests by a subsidiary of such Person), including (a) any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith and (b) any sale of Equity Interests held by such Person.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interest into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature (excluding any maturity as a result of an optional redemption by the issuer thereof) or are mandatorily redeemable (other than solely for Qualified Equity Interests and immaterial amounts of cash in lieu of fractional shares), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to Payment in Full), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests and immaterial amounts of cash in lieu of fractional shares) (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to Payment in

Full), in whole or in part, or (c) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided, that, if such Equity Interests are issued pursuant to a plan for the benefit of employees of any Loan Party or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by such Loan Party in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's death, disability or termination.

"Division" means, with respect to any Person, a division of or by such Person into two or more Persons pursuant to the laws of the jurisdiction of any such Person's organization.

"Dollar-Denominated Production Payment" means a production payment obligation recorded as a liability in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"Dollars" or "$" refers to lawful money of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02), which date is August 24, 2022.

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Electronic System" means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent, any of its sub-agents, any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the or to health and safety matters (to the extent relating to human exposure to Hazardous Materials), including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of any Hazardous Material. Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 331 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300, et seq.), the Environmental Protection Agency's regulations relating to underground storage tanks (40 C.F.R. Parts 280 and 281) and the rules and regulations thereunder, each as amended or supplemented from time to time.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of Borrower or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, registration, license, approval, consent, exemption, variance, or other authorization required under or issued pursuant to applicable Environmental Laws.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (i) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a

Plan (other than an event for which the 30-day notice period is waived); (ii) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (iii) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iv) the incurrence by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (v) the receipt by the Borrower, any of its Subsidiaries or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (vi) the incurrence by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (vii) the receipt by the Borrower, any of its Subsidiaries or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower, any of its Subsidiaries or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower, any of its Subsidiaries or any ERISA Affiliate of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

"Estimated Marketer Receivables Amount" means, as of any date, (a) the last Marketer Receivables Amount certified to the Administrative Agent in the certificate delivered (or required to be delivered) pursuant to Section 5.01(m) *plus* (b) any additional amounts reasonably estimated to be payable to the Borrower or any other Loan Party from the Marketer that have accrued since the last day of the month covered by the certificate referenced in clause (a) *minus* (c) any amounts included in the Marketer Receivables Amount referred to in clause (a) that the Borrower reasonably estimates are no longer payable to the Borrower or any Loan Party from the Marketer.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) Taxes attributable to such Recipient's failure to comply with Section 2.16(b) or, in the case of the Administrative Agent, Section 2.16(b) and (c) any withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Bank of New York's Website" or "NYFRB's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Fee Letter" means that certain fee letter dated as of the Effective Date by and between the Borrower, the Administrative Agent and each Lender party thereto.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, principal financial officer, treasurer or controller of such Person.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means a fiscal year of the Borrower ending on December 31st of any calendar year.

"Five-Year Strip Price" means, as of any date, (a) for the 60-month period commencing with the month in which such date occurs, as quoted on the New York Mercantile Exchange (the "NYMEX") and published in a nationally recognized publication for such pricing reasonably acceptable to the Administrative Agent (as such prices may be corrected or revised from time to time by the NYMEX in accordance with its rules and regulations), the corresponding monthly quoted futures contract price for months 0–60 and (b) for periods after such 60 month period, the average corresponding monthly quoted futures contract price for months 49–60; provided, however, in the event that the NYMEX no longer provides futures contract price quotes for 60 month periods, the longest period of quotes of less than 60 months shall be used to determine the strip period and held constant thereafter based on the average of contract prices for the last twelve months of such period, and, if the NYMEX no longer provides such futures contract quotes or has ceased to operate, the Administrative Agent shall designate another nationally recognized commodities exchange to replace the NYMEX for purposes of the references to the NYMEX in this definition.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple RFR, as applicable. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate and the Adjusted Daily Simple RFR shall be *0.00%*.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Funding Date" means any date of which Revolving Loans are funded to the Borrower pursuant to Section 2.02.

"GAAP" means generally accepted accounting principles in the United States of America, consistently applied.

"Governmental Authority" means the government of the United States of America, the government of the Kingdom of Thailand (and, in each case, any other nation or any political subdivision thereof, whether state or local) and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any self-regulatory authority, such as the National Association of Insurance Commissioners, and any supra-national bodies, such as the European Union or the European Central Bank).

"Governmental Requirement" means any law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, rules of common law, authorization or other directive or requirement, whether now or hereinafter in effect, of any Governmental Authority.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" means a Subsidiary Guarantor.

"Guaranty Agreement" means that certain Guaranty Agreement (including any and all supplements thereto), to be dated as of the Effective Date, among the Guarantors and the Administrative Agent.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law, including materials listed in 49 C.F.R. § 172.101, materials defined as hazardous pursuant to § 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Hydrocarbon Interests" means all rights, titles, interests and estates now or hereafter acquired in and to oil and gas leases, oil, gas and mineral leases, or other liquid or gaseous hydrocarbon leases, fee interests, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature and all rents, profits, proceeds, products, revenues and other incomes from or attributable to any of the foregoing interests. Unless otherwise expressly provided herein, all references in this Agreement to "Hydrocarbon Interests" refer to Hydrocarbon Interests owned at the time in question by the Loan Parties.

"Hydrocarbons" means all oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and all products refined or separated therefrom and all other minerals which may be produced and saved from or attributable to the Oil and Gas Properties of any Person, including all oil in tanks.

"Immaterial Title Deficiencies" means minor defects or deficiencies in title which do not diminish by more than 5% the total value of the Proved Oil and Gas Properties evaluated in the Reserve Report most recently delivered pursuant to the terms of this Agreement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of Disqualified Equity Interests, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business that are either (x) not overdue by more than ninety (90) days or (y) are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP)), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed (but to the extent such Indebtedness is limited in recourse with respect to such Person, the amount of such Indebtedness shall be limited to the greater of (i) the fair market value of such Property subject to such Lien and (ii) the principal amount of the obligations or liability with respect to which recourse exists to such Person), (g) all Guarantees by such Person of Indebtedness of others to the extent of the lesser of the amount of such Indebtedness and the maximum stated amount of such Guarantee, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations to deliver commodities, goods or services, including Hydrocarbons, in consideration of one or more advance payments, made more than one month in advance of the month in which the commodities, goods or services are to be delivered, other than Swap Agreements and obligations relating to gas balancing arrangements in the ordinary course of business, (l) the undischarged balance of any Production Payment created by such Person and (m) any other preferential arrangement in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. Indebtedness shall not include

(i) liabilities resulting from endorsements of negotiable instruments for collection in the ordinary course of business, (ii) obligations in respect of Swap Agreements, (iii) earnout obligations unless such obligations become a liability on the balance sheet of such Person in accordance with GAAP or (iv) any liabilities associated with minimum revenue commitments or minimum volume commitments.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) hereof, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Ineligible Institution" has the meaning assigned to such term in Section 9.04(b).

"Initial Reserve Report" means the engineering report prepared by the Borrower and audited by Ryder Scott Company, L.P. in form reasonably acceptable to the Administrative Agent, setting forth, as of June 30, 2022, certain oil and gas reserves attributable to the Proved Oil and Gas Properties of the Borrower and its Subsidiaries.

"Interest Payment Date" means (a) with respect to any ABR Revolving Loan, the last Business Day of each March, June, September and December, (b) with respect to any Term Benchmark Loan, the last day of the Interest Period applicable to the Borrowing of which such Revolving Loan is a part and (c) the Maturity Date.

"Interest Period" means, for any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one (1), three (3) or six (6) months thereafter (in each case, subject to the availability of the Benchmark applicable to the relevant Revolving Loan), as the Borrower may elect; *provided* that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.11(e) shall be available for specification in any Borrowing Request. For purposes hereof, the date of a Borrowing shall be the date on which such Borrowing is made.

"Investment" means, as applied to any Person, any direct or indirect (a) purchase or other acquisition (including pursuant to any merger or consolidation with any Person) of any Equity Interests, evidences of Indebtedness or other securities of any other Person, (b) loan or advance made by such Person to any other Person, (c) Guarantee, assumption or other incurrence of liability by such Person of or for any Indebtedness or other obligations of any other Person, (d) capital contribution or other investment by such Person in any other Person or (e) purchase or other acquisition (in one transaction or a series of transactions) of any Oil and Gas Properties or midstream, downstream, carbon capture, utilization and storage (CCUS), or solar properties of another Person or any other assets of any other Person constituting a business unit.

"IRS" means the United States Internal Revenue Service.

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Lenders" means the Revolving Lenders.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge in the nature of a security interest or other security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities and (d) any arrangement under which money for the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts.

"Loan Documents" means this Agreement, any Notes, the Guaranty Agreement, the Fee Letter, the Borrowing Request, the Subordination Agreement, all other agreements, instruments, documents and certificates executed and delivered by or on behalf of any of the Loan Parties or any of their respective Subsidiaries to, or in favor of, the Administrative Agent or any Lenders in connection with this Agreement or the transactions contemplated hereby and any other document designated in writing as a "Loan Document" by the Borrower and the Administrative Agent. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, amendments and restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrower and the Guarantors.

"Marketer" means (a) Concord or (b) any other Person acceptable to the Borrower and designated as "Marketer" hereunder.

"Marketer Receivables Amount" means, as of any date, the total amount payable to the Borrower and the other Loan Parties by the Marketer from the sale of Hydrocarbons produced from the Loan Parties' Oil and Gas Properties.

"Marketer Receivables Amount Shortfall" means, as of any date the covenant in Section 5.22 is tested, the amount by which the aggregate

principal amount of outstanding Revolving Loans exceeds the Marketer Receivables Amount as of such date.

"Material Acquisition" means any acquisition of property or series of related acquisitions of property (including by way of merger or consolidation) that involves the payment by the Borrower or any Subsidiary of the Borrower of consideration in excess of $25,000,000.

"Material Adverse Effect" means a material adverse effect on, or a material adverse change in, (i) the business, operations, properties, liabilities, financial or other condition of the Borrower and its Subsidiaries, taken as a whole, (ii) the ability of any of the Loan Parties to perform its obligations under any Loan Document to which it is a party, (iii) the validity or enforceability against any of the Loan Parties of any Loan Document to which it is a party or (iv) the rights and remedies of the Administrative Agent or any Lender under any of the Loan Documents.

"Material Contract" means (a) the Term Loan Credit Agreement and (b) any other contract or agreement (excluding any Loan Document) of any Loan Party (i) involving monetary liability of or to such Loan Party in any year in excess of $5,000,000, or (ii) the breach, non-performance, cancellation or failure to renew of which could reasonably be expected to have a Material Adverse Effect.

"Material Disposition" means any Disposition that involves the receipt by the Borrower or any Subsidiary of the Borrower of consideration in excess of $25,000,000.

"Material Indebtedness" means (a) the Subordinated Shareholder Loans, (b) the Indebtedness incurred under any Uncommitted Credit Facility Agreement and (c) Indebtedness (other than the Revolving Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount (including undrawn committed or available amounts) exceeding $10,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary of the Borrower in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means September 30, 2027.

"Maximum Rate" has the meaning assigned to such term is Section 9.16.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event, including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all fees and out-of- pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a Disposition of an asset (including pursuant to a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Revolving Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all Taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

"Non-Consenting Lender" has the meaning assigned to such term is Section 9.02(d).

"Note" means a promissory note made by the Borrower in favor of a Lender which has requested promissory notes pursuant to Section 2.07(e) evidencing the Revolving Loans made by such Lender, substantially in the forms attached as Exhibit A and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that, if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided further* that if any of the aforesaid rates as so determined shall be less than 0.00%, such rate shall be deemed to be 0.00% for purposes of this Agreement.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Revolving Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and the other Loan Parties to any of the Lenders, the Administrative Agent or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Revolving Loans made or other obligations incurred or other instruments at any time evidencing any thereof.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Oil and Gas Properties" means (a) Hydrocarbon Interests; (b) the properties now or hereafter pooled or unitized with Hydrocarbon Interests; (c) all presently existing or future unitization, communitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d) all operating agreements, production sales or other contracts, farmout agreements, farm-in agreements, area of mutual interest agreements, equipment leases and other agreements which relate to any of the Hydrocarbon Interests or any interests therein or to the production, sale, purchase, exchange, processing, handling, storage, transporting or marketing of the Hydrocarbons from or attributable to such Hydrocarbon Interests; (e) all Hydrocarbons; (f) all tenements, hereditaments, appurtenances and properties in any manner appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, including all compressor sites, settling ponds and equipment or pipe yards; and (g) all properties, rights, titles, interests and estates whether now owned or hereinafter acquired, that are situated upon, used or held for use in connection with the interests described or referred to above, or the operating, working or development of any of such Hydrocarbon Interests or property (excluding drilling rigs, automotive equipment, rental equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) including any and all oil wells, gas wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, sales and flow lines, gathering systems, field gathering systems, salt water disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, steam generation facilities, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements, servitudes, licenses and other surface and subsurface rights, together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless otherwise expressly provided herein, all references in this Agreement to "Oil and Gas Properties" refer to Oil and Gas Properties owned at the time in question by the Loan Parties.

"Organizational Documents" means (a) with respect to any corporation, the certificate or articles of incorporation and bylaws (or equivalent or comparable constitutive documents with respect to such corporation's jurisdiction) of such corporation; (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement of such limited liability company; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization of such entity and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Revolving Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.16).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Payee" means, with respect to each Borrowing of Revolving Loans, the applicable payees of the obligations of the Borrower (including the payees named in the invoices and/or other documents delivered pursuant to Section 4.02(d) in connection with such Borrowing).

"Payment Conditions" means, with respect to any Restricted Payment or Restricted Debt Payment:

(a) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, no Default or Event of Default shall have occurred and be continuing;

(b) no Restricted Payment or Restricted Debt Payment shall be made during any Fiscal Year except (i) with respect to Fiscal Year 2022, on a date that is before November 1, 2022 and (ii) with respect to subsequent Fiscal Years, on a date that is within the Specified Amount Payment Period for such Fiscal Year;

(c) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the aggregate amount of Available Cash of the Borrower and the Subsidiaries at the beginning of the related Specified Amount Payment Period is greater than $100,000,000;

(d) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the Specified Amount shall be greater than $0;

(e) at the time of such Restricted Payment or Restricted Debt Payment, the Adjusted Stockholders' Equity of the Borrower is not less than $800,000,000 (as reflected in the financial statements delivered pursuant to Section 5.01(b) with respect to the applicable Fiscal Quarter ending June 30); and

(f) the projected cash flow of the Borrower and its Subsidiaries in the Cashflow Projection most recently delivered pursuant to Section 5.01(e) (or, solely for any Restricted Payment or Restricted Debt Payment made prior to November 1, 2022, the Financial Model (as defined in the Term Loan Credit Agreement)) reflects sufficient free cash flow to make the required payments of principal and interest on the Term Loans through the next succeeding Annual Payment Date.

"Payment in Full" or "Paid in Full" means the Commitments have expired or been terminated and the principal of and interest on each Revolving Loan and all fees payable hereunder and all other amounts payable under the Loan Documents (other than contingent indemnification obligations as to which no claim has been received by any Loan Party) shall have been paid in full in cash.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permits" means the collective reference to any and all franchises, licenses, leases, permits, approvals, consents, notifications, certifications, registrations, authorizations, exemptions, variances, qualifications, easements and rights of way of any Governmental Authority or third party.

"Permitted Encumbrances" means:

(a) Liens for Taxes, assessments or other governmental charges or levies that are not yet due or are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's, operators' and other like Liens imposed by law, arising in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties and securing obligations that are not overdue by more than thirty (30) days or are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP); provided that any such Lien referred to in this clause (b) does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by any Loan Party or materially impair the value of such Property subject thereto;

(c) Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(d) deposits to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, regulatory obligations, tenders, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business or in the ordinary course in the oil and gas business generally and not in connection with the borrowing of money;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 7.01(k);

(f) zoning and land use requirements, easements, restrictions, servitudes, Permits, conditions, covenants, exceptions or reservations in any Property of any Loan Party for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and that in the aggregate do not materially impair the value of the assets encumbered thereby or materially impair the ability of any Loan Party to use such assets in its business;

(g) title and ownership interests of lessors (including sub-lessors) of Property leased by such lessors to any Loan Party, Liens and encumbrances encumbering such lessors' titles and interests in such property and to which the applicable Loan Party's leasehold interests may be subject or subordinate, in each case whether or not evidenced by Uniform Commercial Code financing statement filings or other documents of record; provided that such Liens do not secure Indebtedness of any Loan Party and do not encumber Property of any Loan Party other than the Property that is the subject of such leases and items located thereon; provided further that any such Lien referred to in this clause does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the applicable Loan Party or materially impair the value of such Property subject thereto;

(h) Liens arising solely by virtue of any statutory or common law provision or customary deposit account terms relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution; provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by any Loan Party to provide collateral to the depository institution;

(i) Liens arising solely from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements otherwise permitted under this Agreement;

(j) Liens which arise in the ordinary course of business under operating agreements, joint venture agreements, oil and gas partnership agreements, oil and gas leases, farm-out agreements, participation agreements, division orders, contracts for the sale, transportation, gathering, or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, reversionary interests, marketing agreements, processing agreements, net profits agreements, development agreements, service agreements, supply agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements, and other agreements which are usual and customary in the oil and gas business including, without limitation, all lessors' royalties, overriding royalties, net profits interests, carried interests, reversionary interests and other burdens on, or deductions from, the proceeds of production with respect to each Property (in each case) that do not operate to reduce the net revenue interest for

such Property as reflected in any Reserve Report or increase the working interest for such Oil and Gas Property as reflected in any Reserve Report without a corresponding increase in the corresponding net revenue interest and that do not secure Indebtedness for borrowed money and, in each case, are for claims which are not more than 30 days delinquent or which are being contested in good faith by appropriate action and for which adequate reserves are maintained in accordance with GAAP (to the extent required by GAAP);

(k) minor defects or other irregularities in title or zoning and other restrictions that do not secure any Indebtedness and which in the aggregate do not materially impair the use of such Property for the purposes of which such Property is held by any Loan Party or Subsidiary of the Borrower or materially impair the value of such Property subject thereto;

(l) consents to assignment and similar contractual provisions affecting an Oil and Gas Property, including customary preferential rights to purchase and calls on production by sellers relating to Hydrocarbon Interests acquired by any Loan Party or Subsidiary of the Borrower;

(m) Liens (other than the granting of a security interest) pursuant to merger agreements, stock purchase agreements, asset sale agreements and similar agreements (1) limiting the transfer of properties and assets pending the consummation of the subject transaction, or (2) in respect of earnest money deposits, good faith deposits, purchase price adjustment and indemnity escrows and similar deposit or escrow arrangements made or established thereunder; and

(n) Liens, titles and interests of licensors of software and other intangible personal Property licensed by such licensors to any Loan Party or any Subsidiary of the Borrower, restrictions and prohibitions on encumbrances and transferability with respect to such Property and such Loan Party's or Subsidiary's interests therein imposed by such licenses, and Liens and encumbrances encumbering such licensors' titles and interests in such Property and to which such Loan Party's or Subsidiary's license interests may be subject or subordinate, in each case, whether or not evidenced by UCC financing statement filings or other documents of record; provided that such Liens do not secure Indebtedness of any Loan Party or any Subsidiary of the Borrower and do not encumber Property of any Loan Party or any Subsidiary of the Borrower other than the Property that is the subject of such licenses;

provided, that (i) Liens described in clauses (a), (b), (c), (h) and (j) shall remain "Permitted Encumbrances" only for so long as no action to enforce such Lien has been commenced (ii) the term "Permitted Encumbrance" shall not include any Lien securing Indebtedness for borrowed money.

"Permitted Holders" means, collectively, Banpu and any wholly-owned subsidiaries of Banpu.

"Permitted Liens" means Liens expressly permitted pursuant to Section 6.02.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petroleum Industry Standards" means the Definitions for Oil and Gas Reserves promulgated by the Society of Petroleum Engineers (or any generally recognized successor) as in effect at the time in question.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower, any of its Subsidiaries or any ERISA Affiliate (i) is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA or (ii) otherwise has any liability.

"Plan Asset Regulations" means 29 C.F.R. §2510.3-101, et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"Platform" means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

"Prime Rate" means, as of any day, the rate last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as reasonably determined by the Administrative Agent).

"Production Payment" means a Dollar-Denominated Production Payment or a Volumetric Production Payment.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including cash, securities, accounts and contract rights, including any Oil and Gas Property.

"Proved Oil and Gas Properties" means Oil and Gas Properties of the Loan Parties to which Proved Reserves are attributed in the Reserve Report most recently delivered at the time in question.

"Proved Reserves" means oil and gas reserves that, in accordance with the Petroleum Industry Standards, are defined and classified as "Proved Reserves", which include the following: (a) "Proved Developed Producing Reserves", (b) "Proved Developed Non-Producing Reserves" (consisting of proved developed shut-in oil and gas reserves and proved developed behind pipe oil and gas reserves) and (c) "Proved Undeveloped Reserves".

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from

time to time

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Equity Interests.

"Qualified IPO" means any transaction or series of transactions that results in any of the common Equity Interests of the Borrower or any direct or indirect parent company of the Borrower being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or any recognized securities exchange in Canada, the United Kingdom or any country of the European Union; *provided* that a Qualified IPO shall not include a public offering pursuant to a registration statement on Form S-8.

"Qualifying Benefit Plans" means any stock option plans or other benefit plans for the benefit of employees, management and directors of the Borrower which are or have become customary in the business industry of the Borrower and which such plans have been approved in good faith by the Borrower's compensation committee (or equivalent body of the Borrower responsible for compensation).

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 6:00 a.m. (New York time) on the day that is two Business Days preceding the date of such setting, (2) if the RFR for such Benchmark is Daily Simple SOFR, then two Business Days prior to such setting or (3) if such Benchmark is none of Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 9.04(b).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents, third party advisors and representatives of such Person and such Person's Affiliates.

"Release" has the meaning set forth in CERCLA or under any other Environmental Law.

"Relevant Governmental Body" means the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB or, in each case, any successor thereto.

"Relevant Rate" means (a) with respect to any Term Benchmark Borrowing, the Adjusted Term SOFR Rate or (b) with respect to any RFR Borrowing, the Adjusted Daily Simple RFR, as applicable.

"Remedial Work" has the meaning set forth in Section 5.07.

"Required Lenders" means, subject to Section 2.17, (x) if there are three or more Lenders, at least two or more Lenders having Credit Exposures representing more than 66.666666667% of the sum of the Credit Exposures of all Lenders at such time and (y) if there are fewer than three Lenders, at least one or more Lenders having Credit Exposures representing more than 66.666666667% of the sum of the Credit Exposures of all Lenders at such time. For purposes of this definition, any Lenders that are Affiliated shall be deemed to be a single Lender.

"Requirement of Law" means as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserve Report" means, collectively, (a) the Initial Reserve Report and (b) each other report, in form and detail reasonably satisfactory to the Administrative Agent, setting forth, as of the dates set forth in Section 5.14(a), Section 5.14(b) or as otherwise indicated in this Agreement, the Proved Reserves attributable to the Oil and Gas Properties of the Borrower and the other Loan Parties located in the United States of America, together with a projection of the rate of production and future net income, taxes, operating expenses and capital expenditures with respect thereto as of such date, based upon economic assumptions reasonably acceptable to the Administrative Agent.

"Reserve Report Certificate" has the meaning set forth in Section 5.14(d).

"Reserve Report Supporting Materials" shall mean, with respect to any Reserve Report, (i) a summary of the economic assumptions contained therein and any material changes from the Reserve Report most recently delivered prior to such Reserve Report, (ii) files containing the then-current ARIES database of the Loan Parties' Oil and Gas Properties and (iii) any other supporting materials as the Administrative Agent may reasonably request used to prepare such Reserve Report.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means, as to any Person, the chief executive officer, president, chief financial officer, principal accounting officer, principal financial officer, chief operating officer, controller, treasurer or assistant treasurer, or any vice president, of such Person or, in the case of a Loan Party, any other officer of such Loan Party or other authorized individual designated in writing by such Loan Party and reasonably acceptable to the Administrative Agent. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

"Restricted Debt Payment" has the meaning given to such term in Section 6.18(a).

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any of its Subsidiaries, (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit,

on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any of its Subsidiaries and (c) any payment of management fees, advisory fees or similar fees by any Loan Party to any holders of Equity Interests of the Borrower.

"Revolving Lender" means, as of any date of determination, each Lender having a Revolving Loan Commitment or that holds Revolving Loans.

"Revolving Loan Availability Period" means the period commencing on the Effective Date and ending the earlier of the Maturity Date and the date of termination of all Revolving Loan Commitments.

"Revolving Loan Commitment" means, as to any Revolving Lender, the commitment of such Revolving Lender to make a Revolving Loan in the principal amount set forth on Schedule 2.01 or in the most recent Assignment and Assumption or other documentation contemplated hereby executed by such Revolving Lender. The aggregate amount of the Revolving Loan Commitments of the Revolving Lenders as of the Effective Date is $100,000,000.

"Revolving Loans" means, collectively, the loans made pursuant to Section 2.01.

"RFR" means for any RFR Revolving Loan, Daily Simple SOFR.

"RFR Revolving Loan" means a Revolving Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person that is the subject or target of any Sanctions administered or enforced by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority, (c) the sanctions authority of the Kingdom of Thailand or (d) the sanctions authority of the Republic of Singapore.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933.

"SOFR" means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Solvent" means, in reference to any Person, (i) the fair value of the assets of such Person, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of such Person will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) such Person will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

"Specified Amount" means, as of any date, an amount (which shall not be less than zero) equal to (without duplication):

(a) Consolidated EBITDA, determined on a consolidated basis for the Borrower and its Subsidiaries for the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b), *plus* cash held by the Borrower and its Subsidiaries as of the commencement of such Test Period *minus* the aggregate sum of (without duplication) (i) the current portion of any Indebtedness of the Borrower and its Subsidiaries as of such date (other than the current portion of any Term Loans and any current contingent Indebtedness), (ii) the aggregate principal amount of any Indebtedness incurred pursuant to Section 6.01(j) and outstanding as of such date, and (iii) the aggregate amount of

the Subject Payments and any other contingent Indebtedness and/or earnout obligations incurred by the Borrower or its Subsidiaries in connection with any Investment (other than any current contingent Indebtedness) *minus*

(b) the Consolidated Fixed Charges for the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b), *minus*

(c) any Specified Amount Utilization.

"Specified Amount Payment Period" means, for any Fiscal Year, the period beginning the date that financial statements are delivered pursuant to Section 5.01(b) with respect to the Fiscal Quarter ending June 30 of such Fiscal Year and ending the date that is 90 days after June 30 of such Fiscal Year.

"Specified Amount Utilization" means the sum of, without duplication, the aggregate amount of Restricted Payments and Restricted Debt Payments made in reliance on Section 6.08(d) and Section 6.18(a)(ii) respectively during the period starting from the first day of the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b) and ending on such date.

"Specified Contribution" means at any time, without duplication, the amount of cash proceeds received by the Borrower from (x) an issuance of Equity Interests (other than Disqualified Equity Interests), (y) a cash capital contribution or (z) the incurrence of Subordinated Shareholder PIK Loans (such cash proceeds not to be less than the principal amount of such Subordinated Shareholder PIK Loans), which is made for the exclusive purpose of curing a failure to comply with Section 6.11(b) or Section 6.11(c) that would otherwise occur, but for the exercise of a Cure Right pursuant to Section 7.02(a).

"Specified Royalty Payments" means, with respect to any proposed Borrowing, royalty payments to be made by the Borrower or any other Loan Party to Payees after the date of such proposed Borrowing but on or prior to the last day of the month in which such proposed Borrowing occurs.

"Specified Total Indebtedness" means the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries referred to in clauses (a), (b), (c), (e) (but only in respect of earn-out obligations to the extent due and payable), (f) (to the extent such Lien secures Indebtedness that is of the type that would otherwise constitute Specified Total Indebtedness), (g) (to the extent such Guarantee covers Indebtedness that is of the type that would otherwise constitute Specified Total Indebtedness), (h), (i) (to the extent consisting of non-contingent reimbursement obligations in respect of letters of credit and letters of guaranty that have been drawn or funded and not reimbursed), (j) (to the extent consisting of non- contingent reimbursement obligations in respect of bankers' acceptances that have been funded and not reimbursed) of the definition of "Indebtedness" on such date, determined on a consolidated basis in accordance with GAAP and (k) all Indebtedness of the types referred to in clauses (a) through (j) above of any partnership or joint venture in which any Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Borrower or such Subsidiary.

"Subject Payments" means, collectively, the Devon Earn-Out Obligations, the First Contingent Payment (as defined in the XTO Acquisition Agreement) and the Second Contingent Payment (as defined in the XTO Acquisition Agreement).

"Subordinated Shareholder Loan" means (a) any loan made to the Borrower by Banpu North America which (i) has a maturity date no earlier than ninety-one (91) days after the Maturity Date, (ii) is subordinated to the Obligations as to priority of payment pursuant to a subordination agreement in form and substance satisfactory to the Administrative Agent, (iii) is unsecured, (iv) provides for an all-in- yield no greater than the Term SOFR Rate plus 5.25%, (b) any Subordinated Shareholder PIK Loan and (c) the Amended and Restated Shareholder Loans.

"Subordinated Shareholder PIK Loan" means any loan made to the Borrower by Banpu North America which (a) has a maturity date no earlier than ninety-one (91) days after the Maturity Date, (b) is subordinated to the Obligations as to priority of payment pursuant to a subordination agreement in form and substance satisfactory to the Administrative Agent, (c) is unsecured, (d) provides for an all-in- yield no greater than the Term SOFR Rate plus 5.25%, and (e) which bears interest that is payable solely in kind by adding the amount of such interest to the outstanding principal amount of the Subordinated Shareholder Loan, which shall thereafter be deemed principal bearing interest.

"Subordination Agreement" means that certain Subordination Agreement, dated as of the Effective Date, by and among Banpu North America Corporation, the Administrative Agent and each other Person party thereto, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"subsidiary" means, with respect to any Person (the " parent") at any date, any corporation, limited liability company, partnership, joint venture, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each Subsidiary of the Borrower that is a party to the Guaranty Agreement (excluding any Subsidiary released from its obligations under the Guaranty Agreement). The Subsidiary Guarantors as of the Effective Date are identified as such in Schedule 3.01.

"Swap Agreement" means any agreement with respect to any collar, swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no

phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries shall be a Swap Agreement.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark", when used in reference to any Revolving Loan or Borrowing, refers to whether such Revolving Loan, or the Revolving Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Term SOFR Rate.

"Term Benchmark Loan" means a Revolving Loan that bears interest at a rate based on the Term Benchmark.

"Term Loan" shall have the meaning assigned to the term "Term Loans" in the Term Loan Credit Agreement.

"Term Loan Credit Agreement" means that certain Credit Agreement, dated as of June 16, 2022, by and among the Borrower, the lenders party thereto, and Bangkok Bank Public Company Limited, New York Branch, as administrative agent.

"Term Loan Credit Agreement Obligations" has the meaning assigned to the term "Obligations" in the Term Loan Credit Agreement.

"Term SOFR Determination Day" has the meaning assigned to such term under the definition of "Term SOFR Reference Rate."

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing and for any tenor equal to the applicable Interest Period, the Term SOFR Reference Rate at approximately 6:00 a.m., New York time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the " Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Test Period" means any period of four consecutive Fiscal Quarters.

"Total Net Indebtedness" means, as of any date of determination, (a) Specified Total Indebtedness as of such date minus (b) the lesser of (i) the aggregate amount of Available Cash as of such date and (ii) $100,000,000.

"Total Net Leverage Ratio" means, as of the last day of any Test Period, the ratio of (a) Total Net Indebtedness as of such date to (b) Consolidated EBITDA for such Test Period.

"Total Proved PV-10" means, as of any date of determination, the sum of (i) the estimated market value of the Loan Parties' hedge position, discounted using an annual discount rate of 10% and (ii) the present value of estimated future revenues to be realized from the production of Hydrocarbons from the Oil and Gas Properties of the Loan Parties to which Proved Reserves are attributed as set forth in the most recent Reserve Report delivered pursuant hereto, with appropriate deductions for take or pay and other prepayments, severance and ad valorem taxes, operating, gathering, transportation and marketing expenses, and capital expenditures (including capitalized workover expenses) and plugging and abandonment costs. Each calculation of such estimated future revenues shall be made (a) using the Five-Year Strip Price, adjusted in a manner reasonably acceptable to the Administrative Agent for (i) any basis differential between the actual delivery location and the reference price delivery location and price differential between the actual product delivered and the reference product, in each case, using in each case using methodology consistent with past practices and in good faith based on observable differentials (which utilized differentials shall be, volume weighted on the basis of current and expected future arrangements for the sale of production, the lesser of (A) the average actual differentials for the last twelve months and (B) those future differentials which may be hedged by contract); and (ii) quality and gravity, (b) using costs as of the date of estimation without future escalation and without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expense and depreciation, depletion and amortization, (c) discounted using an annual discount rate of 10% and (d) to the extent not otherwise specified in the preceding clauses of this sentence, using reasonable economic assumptions consistent with such clauses. Total Proved PV-10 shall be calculated on a pro forma basis, giving effect to (i) acquisitions and Dispositions of Oil and Gas Properties consummated by the Borrower and the other Loan Parties since the date of the Reserve Report most recently delivered pursuant hereto (provided that, in the case of any acquisition of Oil and Gas Properties, the Administrative Agent shall have received a Reserve Report, in form and substance reasonably satisfactory to it, evaluating the Proved Reserves attributable thereto) and (ii) the unwind, monetization or termination of any Swap Agreement to which a Loan Party is a party, in each case occurring since the date of the Reserve Report most recently delivered pursuant hereto.

"Transactions" means (a) the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, (b) the borrowing of Revolving Loans and the use of the proceeds thereof and (c) any other transaction relating to or entered into in connection with any of the foregoing.

"Type" when used in reference to any Revolving Loan or Borrowing, refers to whether the rate of interest on such Revolving Loan, or on the Revolving Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted Daily Simple RFR or the Alternate Base Rate.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.14(f)(i)(B)(3).

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Uncommitted Credit Facility Agreements" means (a) that certain Uncommitted Specific Advance Facility Letter, dated as of December 22, 2021, by and among the Borrower and Oversea-Chinese Banking Corporation Limited, Los Angeles Agency, (b) that certain Uncommitted Continuing Agreement for Standby Letters of Credit, dated as of December 22, 2021, by and among the Borrower and Oversea- Chinese Banking Corporation Limited, Los Angeles Agency, (c) that certain Facility Letter (Uncommitted), dated as of February 7, 2022, by and among Standard Chartered Bank, the Borrower, BKV Chaffee Corners, LLC, BKV Chelsea, LLC, BKV Operating, LLC and BKV Barnett, LLC and (d) that certain Promissory Note, dated as of March 11, 2022, made by the Borrower, BKV Chaffee Corners, LLC, BKV Chelsea, LLC, BKV Operating, LLC and BKV Barnett, LLC in favor of Standard Chartered Bank.

"USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107- 56 (signed into law October 26, 2001)) and the rules and regulations promulgated thereunder from time to time in effect.

"Volumetric Production Payment" means a production payment obligation recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"Wholly Owned Subsidiary" means, as to any Person, any other Person all of the Equity Interests of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

"Withholding Agent" means any Loan Party.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

"XTO Acquisition Agreement" means that certain Purchase and Sale Agreement, dated as of May 18, 2022, among XTO Energy, Inc., a Delaware corporation, and Barnett Gathering, LLC, a Texas limited liability company, on the one hand, collectively, as seller (the "XTO Sellers"), and BKV North Texas, LLC, a Delaware limited liability company, and BKV Midstream, LLC, a Delaware limited liability company, on the other hand, collectively, as purchaser.

"XTO Acquisition Subordinated Shareholder Loan" means the loans incurred by the Borrower pursuant to the XTO Subordinated Shareholder Loan Agreement.

"XTO Acquisition Subordinated Shareholder Loan Agreement" means that certain Amended and Restated Loan Agreement, dated as of June 15, 2022, by and between Banpu North America, as lender, and the Borrower, as borrower, pursuant to which Banpu North America made a term loan in the aggregate principal amount of $75,000,000 to the Borrower.

"XTO Sellers" has the meaning assigned to such term in the definition of "XTO Acquisition Agreement".

SECTION 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined.

Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word "from" means "from and including", the words "to" and "until" mean "to but excluding", and the word "through" means "to and including", (f) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (g) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03. Accounting Terms; GAAP; Pro Forma Calculations.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(b) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary of the Borrower at "fair value", as defined therein, and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(c) Except as otherwise expressly provided herein, all pro forma computations required to be made hereunder giving effect to any acquisition or Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such acquisition or Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the period of four consecutive Fiscal Quarters ending with the most recent Fiscal Quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last Fiscal Quarter included in the financial statements referred to in Section 3.04(a) and (b)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or Disposed of (but without giving effect to any synergies or cost savings) and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness).

(d) Notwithstanding anything to the contrary contained in Section 1.03(a) or in the definition of "Capital Lease Obligations," for purposes of calculations made pursuant to the terms of this Agreement or any other Loan Document, GAAP will be deemed to treat leases (whether or not such leases were in effect on such date) that would have been classified as operating leases in accordance with GAAP as in effect on December 31, 2018 in a manner consistent with the treatment of such leases under GAAP as in effect on December 31, 2018, notwithstanding any modifications or interpretive changes thereto that may occur thereafter.

SECTION 1.04. Interest Rates; Benchmark Notification. The interest rate on a Revolving Loan may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.11(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall

have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.05. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Credits

SECTION 2.01.Commitments. Subject to the terms and conditions set forth herein, each Revolving Lender (severally and not jointly) agrees to make Revolving Loans to the Borrower in Dollars from time to time on any Business Day during the Revolving Loan Availability Period in an aggregate principal amount that will not result in (i) such Revolving Lender's aggregate principal amount of Revolving Loans exceeding such Revolving Lender's Revolving Loan Commitment, (ii) the aggregate principal amount of Revolving Loans of all Revolving Lenders exceeding the aggregate Revolving Loan Commitments of all Revolving Lenders or (iii) the Marketer Receivables Amount as of the proposed date of Borrowing failing to exceed the aggregate principal amount of Revolving Loans of all Revolving Lenders (including after giving effect to the requested Borrowing). Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, repay and reborrow the Revolving Loans.

SECTION 2.02.Loans and Borrowings.

(a) Each Revolving Loan shall be made as part of a Borrowing consisting entirely of Term Benchmark Loans as the Borrower may request in accordance herewith made by the applicable Lenders ratably in accordance with their respective Revolving Loan Commitments. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(b) Subject to Section 2.11, each Borrowing shall be comprised entirely of Term Benchmark Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Revolving Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Revolving Loan (and in the case of an Affiliate, the provisions of Sections 2.12 and 2.14 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Revolving Loan in accordance with the terms of this Agreement.

(c) Each Borrowing of Revolving Loans shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $3,000,000.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03.Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by delivering to the Administrative Agent a Borrowing Request signed by the Borrower not later than 11:00 a.m., New York City time three (3) Business Days before the date of the proposed Borrowing (or such later time as may be otherwise approved by the Administrative Agent in its sole discretion). Each such written Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate principal amount of the requested Borrowing, which shall comply with the requirements of Section 2.02(c);

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) the Interest Period with respect to such Borrowing;

(i v) the current aggregate principal amount of outstanding Revolving Loans of all Revolving Lenders (without regard to the requested Borrowing) and the pro forma aggregate outstanding principal amount of Revolving Loans of all Revolving Lenders (giving effect to the requested Borrowing); and

(v) if the Borrower Reimbursement Conditions are met, the location and number of the Borrower's account or such other account or accounts to which funds are to be disbursed; provided, however, the Borrower shall not be required to meet the Borrower Reimbursement Conditions if (i) the Reimbursed Invoiced Amounts associated with such draw of Loans are less than or equal to $1,000,000; and (ii) the Reimbursed Invoiced Amounts cover more than 90% of the aggregate principal amount of the requested Borrowing.

Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

SECTION 2.04.Funding of Borrowings.

(a) Each Lender shall make each Revolving Loan to be made by it hereunder on the relevant Funding Date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Revolving Loans available to the Borrower by promptly wiring the amounts of all requested funds so received, in like funds, to an account of the Borrower (or to such other account) designated by the Borrower in the applicable Borrowing Request on the applicable Funding Date.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may (but shall have no obligation to do so), in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to the Revolving Loans comprising such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Revolving Loan included in such Borrowing.

SECTION 2.05.Interest Rate. Each Borrowing shall have the Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may not continue such Borrowing or, on any subsequent Borrowing, may elect different Interest Periods therefor. There shall be no more than ten (10) Term Benchmark Borrowings at any time.

SECTION 2.06. Termination and Reduction of Revolving Loan Commitments.

(a) Unless previously terminated, the Revolving Loan Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Revolving Loan Commitments; provided that (i) each partial reduction of the Revolving Loan Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $3,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Loan Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.08, the aggregate principal amount of Revolving Loans of all Revolving Lenders would exceed the aggregate Revolving Loan Commitments of all Revolving Lenders.

(c) The Borrower shall notify the Administrative Agent in writing of any election to terminate or reduce the Revolving Loan Commitments under paragraph (b) of this Section by 12:00 p.m., New York City time, at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this paragraph (c) shall be irrevocable; provided that a notice of termination of the Revolving Loan Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Loan Commitments shall be permanent. Each reduction of the Revolving Loan Commitments shall be made ratably among the Revolving Lenders in accordance with their respective Revolving Loan Commitments.

(d) Without limiting any other obligation to pay fees and expenses hereunder, any commitment fees accrued pursuant to Section 2.09 until the effective date of any termination of Revolving Loan Commitments shall be paid on the effective date of such termination.

SECTION 2.07. Repayment of Loans; Evidence of Debt.

(a) To the extent not previously repaid, the outstanding principal amount of the Revolving Loans shall be paid in full in Dollars by the Borrower on (i) the last day of the Interest Period with respect thereto and (ii) the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Revolving Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Revolving Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The Register and the corresponding entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the Obligations. If any conflict exists between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

(e) Any Lender may request that Revolving Loans made by it be evidenced by a Note or Notes. In such event, the Borrower shall prepare, execute and deliver to such Lender a Note or Notes payable to such Lender or its registered assigns and substantially in the form of Exhibit A. Thereafter, the Revolving Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be

represented by one or more Notes in such form payable to the payee or its registered assigns.

SECTION 2.08. Prepayment of Loans.

(a) Voluntary Prepayments. Except as prohibited by the Term Loan Credit Agreement, the Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior written notice in accordance with the provisions of this Section 2.08(a). The Borrower shall notify the Administrative Agent by written notice of any prepayment hereunder not later than 1:00 p.m., New York City time, fifteen (15) Business Days before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that a notice of voluntary prepayment of all Revolving Loans then outstanding at any time delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by written notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a voluntary prepayment of a Borrowing, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Revolving Loans shall be an integral multiple of $1,000,000 and not less than $3,000,000. Each voluntary prepayment of a Borrowing pursuant to this Section 2.08(a) shall be applied ratably to the Revolving Loans included in the prepaid Borrowing in inverse order of maturity.

(b) Mandatory Prepayments (Unauthorized Incurrence of Indebtedness). If any Net Proceeds are received by the Borrower or any of its Subsidiaries as a result of the incurrence by the Borrower or any of its Subsidiaries of any Indebtedness other than Indebtedness permitted under Section 6.01, the Borrower shall, on the same day that such Net Proceeds are received, prepay the Revolving Loans in an aggregate amount equal to 100% of such Net Proceeds. Each prepayment pursuant to this Section 2.08(b) shall be applied ratably to the Revolving Loans.

(c) Mandatory Prepayments (Illegality). If, in any applicable jurisdiction, it becomes unlawful under any law (or any Governmental Authority has asserted that it is unlawful) for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain any Revolving Loan:

(i) such Lender shall promptly notify the Administrative Agent upon becoming aware of that event (and the Administrative Agent shall promptly notify the Borrower in writing); and

(ii) upon the Administrative Agent notifying the Borrower, (i) the Commitments of such Lender will be immediately terminated; and (ii) the Borrower shall prepay all Revolving Loans of such Lender either on the last day of the Interest Period thereof, if such Lender may lawfully continue to maintain such Revolving Loan, or immediately, if such Lender may not lawfully continue to maintain such Revolving Loan.

(d) Mandatory Prepayments (Specified Contributions). In the event and on each occasion that the Borrower receives any Specified Contribution, the Borrower shall, no later than the Business Day after such Specified Contribution is received by the Borrower, prepay the Revolving Loans in an aggregate amount equal to 100% of such Specified Contribution; provided that, if, as a result of the receipt of such Specified Contribution, a prepayment of the Term Loans is required pursuant to the Term Loan Credit Agreement, then the Borrower may first make prepayments to the Term Loans using the proceeds of such Specified Contribution as required by the Term Loan Credit Agreement prior to using any excess proceeds to prepay the Revolving Loans as otherwise required by this clause (d). Each prepayment pursuant to this Section 2.08(c) shall be applied ratably to the Revolving Loans.

(e) Mandatory Prepayments (Breach of Minimum Marketer Receivables Amount Covenant). In the event and on each occasion that the Borrower is in violation of Section 5.22 as of the last day of any month, the Borrower shall, on or prior to the date that is three (3) Business Days after the date that the Borrower delivered (or was required to deliver) the certificate required pursuant to Section 5.01(m) showing such Marketer Receivables Amount Shortfall, prepay Borrowings of Revolving Loans in an aggregate amount equal to the applicable Marketer Receivables Amount Shortfall. Each prepayment pursuant to this Section 2.08(e) shall be applied ratably to the Revolving Loans.

(f) Mandatory Prepayments (Excess of Revolving Loans). In the event and on each occasion that the aggregate outstanding principal amount of Revolving Loans of all Revolving Lenders exceeds the aggregate Revolving Loan Commitments of all Revolving Lenders, the Borrower shall prepay the Revolving Loans in an aggregate amount equal to such excess within one (1) Business Day after notice thereof from the Administrative Agent. Each prepayment pursuant to this Section 2.08(d) shall be applied ratably to the Revolving Loans.

(g) Notice of Prepayment. The Borrower shall notify the Administrative Agent in writing of any prepayment under Section 2.08 (other than Section 2.08(f)) not later than 1:00 p.m. New York City time, fifteen (15) Business Days (or, in respect of a prepayment made pursuant to Section 2.08(e), one (1) Business Day) prior to the date of prepayment (including (i) with respect to any prepayment under Section 2.08(d), reasonably detailed calculations of the Asset Coverage Ratio, the Consolidated Fixed Charge Coverage Ratio or the Total Net Leverage Ratio, as applicable, as of such date after giving effect to such prepayment and (ii) with respect to any prepayment under Section 2.08(e), calculations of the Marketer Receivables Amount Shortfall in form and detail satisfactory to the Administrative Agent). Each such notice shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and a reasonably detailed calculation of the amount of such prepayment.

(h) Interest; Breakfunding. All prepayments, whether voluntary or mandatory, pursuant to this Section 2.08 shall be accompanied by accrued interest to the extent required by Section 2.10(d) and any break funding payments required by Section 2.18.

SECTION 2.09.Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender fees payable pursuant to the Fee Letter.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender (other than a Defaulting Lender) a commitment fee, which shall accrue at a rate per annum equal to 1.50% of the average daily amount of the undrawn portion of the Revolving Loan Commitment of such Lender during the Revolving Loan Availability Period. Accrued commitment fees shall be payable in arrears on the last Business Day of September, December, March and June of each year, commencing on the first such date to occur after the Effective Date, and on the last Business Day of the Revolving Loan Availability Period. All commitment fees under this Section 2.09(c) shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the applicable Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.10.Interest.

(a) The Revolving Loans shall bear interest at a rate per annum equal to the Adjusted Term SOFR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate, but in no event to exceed the Maximum Rate.

(b) Reserved.

(c) Notwithstanding the foregoing, during the occurrence and continuance of any Event of Default, all Revolving Loans and other amounts outstanding hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of principal of any Revolving Loan outstanding hereunder, 2.0% plus the rate otherwise applicable to such Revolving Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2.0% plus the rate applicable to Term Benchmark Loans as provided in Section 2.10(a), but in no event to exceed the Maximum Rate.

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and on the Maturity Date; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Revolving Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Adjusted Daily Simple RFR or Daily Simple SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11.Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.11, if:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including, without limitation, because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR or Daily Simple SOFR for an RFR Revolving Loan;

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing that the Adjusted Term SOFR Rate for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Revolving Loans included in such Borrowing for such Interest Period, or (B) at any time, the applicable Adjusted Daily Simple RFR for an RFR Revolving Loan will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Revolving Loans included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders through any Electronic System as provided in Section 9.01 as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Revolving Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple RFR is not also the subject of Section 2.11(a)(i) or (ii) above or (y) an ABR Revolving Loan if the Adjusted Daily Simple RFR also is the subject of Section 2.11(a)(i) or (ii) above, on such day, and (2) any RFR Revolving Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Revolving Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and

(y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, in connection with the implementation of any Benchmark Replacement, the Administrative Agent (in consultation with the Borrower) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action by or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 1 or in any related definitions.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then- current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing and any conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to (i) with respect to any Term Benchmark Borrowing, an RFR Borrowing so long as the Adjusted Daily Simple RFR is not the subject of a Benchmark Transition Event or (ii) an ABR Borrowing if the Adjusted Daily Simple RFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Revolving Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Revolving Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.11, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Revolving Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing so long as the Adjusted Daily Simple RFR is not the subject of a Benchmark Transition Event or (y) an ABR Revolving Loan if the Adjusted Daily Simple RFR is the subject of a Benchmark Transition Event, on such day and (2) any RFR Revolving Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Revolving Loan.

SECTION 2.12. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender;

(ii) impose on any Lender or the relevant interbank market any other condition, cost or expense (in each case, other than Taxes) affecting this Agreement or Revolving Loans made by such Lender; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (c) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Revolving Loan or of maintaining its obligation to make any such Revolving Loan or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Revolving Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13. Reserved.

SECTION 2.14.Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings of Indemnified Taxes applicable to additional sums payable under this Section 2.14) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.14, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. On or prior to the last Business Day in February of each calendar year, Borrower shall deliver to the Administrative Agent (for distribution to Lenders) a duly completed IRS Form 1042-S (Copies B, C and D marked for recipient) or any amended or successor version of such form, together with a copy of IRS Form 1042-S (Copy A marked for United States Internal Revenue Service) or any amended or successor version of such form, as filed with the United States Internal Revenue Service by Borrower, stamped as received by the United States Internal Revenue Service or certified as a true copy by an officer of Borrower, and such other supporting documentation evidencing the withholding Tax paid by any Loan Party for the immediately preceding calendar year that Administrative Agent and Lenders may reasonably require to claim a tax credit (including any further certification by an officer of Borrower). Each such IRS Form 1042-S (or any amended or successor version of such form) and other supporting documentation, as applicable, shall specify at least the following information: (A) the name of the taxpayer, (B) the particulars of the income for such immediately preceding calendar year, and (C) the amount of the withholding Tax paid for such immediately preceding calendar year.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.14(f)(i)(A), 2.14(f)(i)(B) and 2.14(f)(i)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W- 8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to

the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after- Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.14 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.14, the term "applicable law" includes FATCA.

SECTION 2.15. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Set-offs .

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.12 or 2.14, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent's account most recently designated by it to the Borrower, except that payments pursuant to Sections 2.08(c), 2.12, 2.14 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest and fees, interest and fees thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due, and expenses then reimbursable, hereunder, such funds shall be applied towards payment of the amounts then so due or reimbursable as follows:

(i) first, to payment or reimbursement of that portion of the Obligations constituting fees, expenses, indemnities and other amounts payable to the Administrative Agent in its capacity as such;

(ii) second, ratably to payment or reimbursement of that portion of the Obligations constituting fees, expenses, indemnities and other amounts (other than principal, interest and premium) payable to the Lenders;

(iii) third, ratably to payment of accrued interest on the Revolving Loans;

(iv) fourth, ratably to payment of principal on the Revolving Loans;

(v) fifth, ratably to the payment of any other Obligations.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the relevant Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may (but will not be obligated to), in reliance upon such assumption, distribute to the relevant Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal

Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.12, or the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Revolving Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.14, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Sections 2.12 or 2.14) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.04(b)(ii)(C), (iii) such Lender shall have received payment of an amount equal to the outstanding principal of its Revolving Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iv) such assignment does not conflict with applicable law, and (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Notwithstanding anything in this Section 2.16 to the contrary, the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.05.

SECTION 2.17. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) the Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that, except as otherwise provided in Section 9.02, this clause (a) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby; and

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Revolving Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Revolving Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Revolving Loans of such Defaulting Lender until such time as all Revolving Loans are held by the Lenders pro rata in accordance with the Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Revolving Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon, such Lender will cease to be a

Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

SECTION 2.18. Break Funding Payments. In the event of (a) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or an optional or mandatory prepayment of Revolving Loans), (b) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.08 and is revoked in accordance therewith), or (d) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16 then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. The Borrower and its Subsidiaries are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization, have all requisite power and authority to carry on their business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. As of the Effective Date, Schedule 3.01 hereto identifies the Borrower and each Subsidiary of the Borrower, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the equity holders of the Borrower, the Borrower and the other Subsidiaries of the Borrower and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of the Borrower and each Subsidiary of the Borrower are validly issued and outstanding and fully paid and nonassessable and, as of the Effective Date, all such shares and other equity interests indicated on Schedule 3.01 as owned by the equity holders of the Borrower, the Borrower or another Subsidiary of the Borrower are owned, beneficially and of record, by such equity holders of the Borrower, the Borrower or such Subsidiary free and clear of all Liens. As of the Effective Date, each Subsidiary of the Borrower is a Guarantor.

SECTION 3.02. Authorization; Enforceability. (a) The Transactions are within each Loan Party's organizational powers and (b) the Loan Documents are admissible in evidence in each court with proper jurisdiction over the relevant Loan Parties, and each of the foregoing clauses (a) and (b) have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other material action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect (b) will not violate any applicable material Governmental Requirement or the Organizational Documents of the Borrower or any of its Subsidiaries, (c) will not violate or result in a default under any indenture, agreement or other instrument in respect of any Material Indebtedness binding upon the Borrower or any of its Subsidiaries or its assets (other than the Loan Documents), or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) All financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP.

(b) Since December 31, 2021, there has been no material adverse change in the business, operations, Properties, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05.Maintenance of Properties. Except for such acts or failures to act as could not reasonably be expected to have a Material Adverse Effect, with respect to the Proved Oil and Gas Properties (and Properties unitized therewith) of the Loan Parties (a) operated by the Borrower or any of its Subsidiaries, such Properties have been maintained, operated and developed in a good and workmanlike manner and in conformity with all Governmental Requirements and in conformity with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of such Oil and Gas Properties or (b) operated by any third party, the Borrower and each other Loan Party have used their respective commercially reasonable efforts to cause such Properties to be so maintained, operated and developed. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (i) none of such Oil and Gas Properties of the Loan Parties is subject to having allowable production reduced below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) and (ii) no well comprising a part of such Oil and Gas Properties (or Properties unitized

therewith) of the Loan Parties is in violation of applicable Governmental Requirements, and such wells are producing from, and the well bores are wholly within, such Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties). All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by the Loan Parties that are necessary to conduct normal operations are being, or in the case of such pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment the maintenance of which is performed by a third-party operator, the Borrower and each other Loan Party is using commercially reasonable efforts to cause such items to be, and to the Borrower's knowledge such items are, maintained in a state adequate to conduct normal operations (other than those the failure of which to maintain in accordance with this Section 3.05, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect).

SECTION 3.06. Litigation and Environmental Matters.

(a) There are no investigations by or before any arbitrator or Governmental Authority pending against, actions, suits, proceedings or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Subsidiaries (i) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (ii) that challenge the validity of any of the Loan Documents or (iii) that could affect a material portion of the Properties of Borrower or any of its Subsidiaries when taken as a whole.

(b) Except for such matters as set forth on Schedule 3.06 or that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(i) the Properties of the Borrower and its Subsidiaries are in compliance with all applicable Environmental Laws, the Borrower and its Subsidiaries have operated their respective Properties in compliance with all applicable Environmental Laws, and to the knowledge of the Borrower, such Properties were operated in compliance with applicable Environmental Laws prior to the acquisition thereof by the Borrower or the applicable Subsidiary;

(ii) the Borrower and its Subsidiaries have obtained all Environmental Permits required for their respective operations and each of their Properties, with all such Environmental Permits being currently in full force and effect, and none of Borrower or any other Subsidiary has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be protested or denied;

(iii) there are no claims, written demands, suits, orders, investigations, requests for information by a Governmental Authority or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Law that is pending or, to the knowledge of the Borrower, threatened against the Borrower or any of its Subsidiaries arising from the ownership or operation of their respective Properties, and to the knowledge of the Borrower, there are no conditions or circumstances that are reasonably expected to result in the receipt of such claims, written demands, suits, orders, investigations, requests for information or proceedings;

(iv) to the knowledge of the Borrower, none of the Properties of the Borrower or any Subsidiary contain any: (i) regulated underground storage tanks; (ii) friable asbestos-containing materials; (iii) landfills or dumps; (iv) hazardous waste management units as defined pursuant to the Resource Conservation and Recovery Act of 1976 or any comparable state law; or (v) sites on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law;

(v) since the acquisition by the Borrower or any Subsidiary of any Property, or to the knowledge of the Borrower prior to such acquisition, there has been no Release or threatened Release at any of the Properties of the Borrower and its Subsidiaries that would reasonably be expected to result in liability to, or require Remedial Work by, the Borrower or any of its Subsidiaries at any such Properties pursuant to applicable Environmental Law; and there is no on- going Remedial Work at any of such Properties;

(vi) neither the Borrower nor any of its Subsidiaries has received any written notice asserting the alleged liability or obligation of the Borrower or any of its Subsidiaries under any applicable Environmental Laws with respect to the presence of Hazardous Materials at, under or Released or threatened to be Released from any Properties offsite the Properties of the Borrower and its Subsidiaries; and

(vii) to the knowledge of the Borrower, there has been no exposure of any Person or Property to any Hazardous Materials as a result of the operations of any of the Properties of the Borrower and its Subsidiaries that would reasonably be expected to result in damages or compensation against the Borrower or any of its Subsidiaries.

(c) Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, there are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened in writing. Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, the hours worked by and payments made to employees of the Borrower and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters. Except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, all payments due from the Borrower or any of its Subsidiaries, or for which any claim may be made against the Borrower or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Subsidiaries is bound except as individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.07.Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all Governmental Requirements applicable to it or its Property and all indentures, agreements and other instruments binding upon it or its Property, and possesses all licenses, permits, franchises, exemptions, approvals and other governmental authorizations necessary for the ownership of its Property and the conduct of its business, except in each case where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08.Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes.

(a) Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all material Taxes required to have been paid by it except Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP (to the extent required by GAAP).

(b) Under the laws of the country of Thailand, it is not necessary that any of the Loan Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation the Loan Documents other than a stamp duty of Baht 10,000 payable on an executed copy of this Agreement (and a stamp duty of Baht 5 for each counterparty thereof) which must be paid within fifteen (15) days of execution if executed in Thailand or within 30 days of the original being taken into Thailand if executed outside Thailand.

SECTION 3.10.ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. None of the reports, financial statements, certificates or other written information (other than information of a general economic or industry specific nature) furnished by or on behalf of the Borrower or any of its Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, geological and geophysical data, engineering projections and other forward looking information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being understood that such projections are as to future events and are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, and that no assurance can be given that such projections will be realized and actual results during the period or periods covered by any such projections may differ significantly from the projected results and such differences may be material and it being further understood that projections concerning volumes attributable to the Oil and Gas Properties of the Loan Parties and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Loan Parties do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate).

SECTION 3.12. Federal Reserve Regulations. No part of the proceeds of any Revolving Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.13. Liens. There are no Liens on any of the Properties of the Borrower or any of its Subsidiaries except for Liens permitted by Section 6.02.

SECTION 3.14. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.15.Indebtedness with Banpu. As of the Effective Date, there does not exist any Indebtedness owing to Banpu or any Affiliate thereof (including Banpu North America, but excluding the Borrower or any Subsidiary thereof) by the Borrower or any other Loan Party, other than (a) the Amended and Restated Shareholder Loans and (b) the loans made under the BKV-Temple Loan Agreement.

SECTION 3.16. Solvency. Immediately after the consummation of the Transactions to occur on the Effective Date and on the date of any Borrowing hereunder, the Borrower individually and the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

SECTION 3.17. Insurance. The Borrower maintains, and has caused each of its Subsidiaries to maintain, with financially sound and reputable insurance companies, insurance as required by Section 5.12 on all of their Property in such amounts, subject to such deductibles and self-insurance retentions and covering such Properties and risks as are adequate and customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 3.18. Pari Passu Ranking. The obligations of each Loan Party under the Loan Documents to which it is a party rank at least equally with all of the unsecured and unsubordinated Indebtedness of such Loan Party, except liabilities mandatorily (and not consensually) preferred by law, and ahead of all subordinated indebtedness, if any, of such Loan Party.

SECTION 3.19. Anti-Corruption Laws; USA PATRIOT Act; Anti-Terrorism Laws and Sanctions.

(a) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, the Subsidiaries, BKV-BPP and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

(b) The Borrower, the Subsidiaries, BKV-BPP, their respective officers and employees and, to the knowledge of the Borrower, their respective directors and agents are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not engaged in any activity that would reasonably be expected to result in any of the Borrower, the Subsidiaries or BKV-BPP being designated as a Sanctioned Person.

(c) None of (x) the Borrower, any Subsidiary, BKV-BPP or any of their respective directors, officers or employees, or (y) to the knowledge of the Borrower, any agent of the Borrower that will act in any capacity in connection with or benefit from the credit facility established hereby, is a

Sanctioned Person. The Borrower will not directly or indirectly use the proceeds from the Revolving Loans or lend, contribute or otherwise make available such proceeds to the Borrower, any Subsidiary, BKV-BPP, joint venture partner or other Person, for the purpose of financing the activities of any Person subject to any applicable Sanctions.

SECTION 3.20. Use of Proceeds. The Borrower will use the proceeds of the Revolving Loans solely for short-term working capital and operating needs, including earnout payments and Capital Expenditures (such as refrac, recompletion of producing wells, drilling and completion of new wells of Proved Reserves), but, in each case, excluding long term Capital Expenditures (such as exploration investments). No part of the proceeds of any Revolving Loan will be used, whether directly or indirectly, (x) for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X or (y) to repay any Subordinated Shareholder Loan.

SECTION 3.21. Material Contracts. No Loan Party is in breach of any Material Contracts. Each Material Contract is enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.22. Properties; Title; Etc.

(a) Each of the Loan Parties has defensible title (subject to Immaterial Title Deficiencies) to the Proved Oil and Gas Properties evaluated in the most recently delivered Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms). Each of the Loan Parties has good title to, or valid leasehold interests in, licenses of, or rights to use, all of its material personal Properties (except for those Properties that have been Disposed of from time to time after the Effective Date in accordance with this Agreement and any leases which have expired in accordance with their terms), free and clear of all Liens except for Permitted Liens. After giving full effect to such Permitted Liens, Immaterial Title Deficiencies, any Dispositions of Properties made after the Effective Date in accordance with this Agreement and any leases which have expired in accordance with their terms, the Loan Party specified as the owner owns the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms), and except as otherwise provided by statute, regulation or the provisions of any applicable joint operating agreement, unitization agreement or other similar agreement, the ownership of such Properties shall not in any material respect obligate such Loan Party to bear the costs and expenses relating to the maintenance, development and operations of each such Property in an amount in excess of the working interest of such Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in such Loan Party's net revenue interest in such Property.

(b) Except for matters that could not reasonably be expected to have a Material Adverse Effect, (i) all leases and agreements necessary for the conduct of the business of the Loan Parties are valid and subsisting and in full force and effect and (ii) there exists no default or event or circumstance which with the giving of notice or the passage of time or both would give rise to a default under any such lease or leases.

(c) Each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property used in its business except where any such failure to own or be licensed to use (including the granting of licenses), individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and the use thereof by such Loan Party does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Loan Parties either own or have valid licenses or other rights to use all databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information used in their businesses as presently conducted, subject to the limitations contained in the agreements governing the use of the same, which limitations are customary for companies engaged in the business of the exploration and production of Hydrocarbons, with such exceptions as could not reasonably be expected to have a Material Adverse Effect.

(d) All of the Properties of the Borrower and its Subsidiaries which are reasonably necessary for the operation of their businesses are in good working condition (ordinary wear and tear and casualty events excepted) and are maintained in accordance with prudent business standards.

SECTION 3.23. Gas Imbalances; Prepayments. On a net basis there are no gas imbalances, take-or-pay or other prepayments with respect to the Proved Oil and Gas Properties of the Loan Parties which would require any Loan Party to deliver Hydrocarbons either generally or produced from Oil and Gas Properties at some future date with a value of $5,000,000 or more, which, in the case of imbalances would be satisfied no later than forty five (45) days after being incurred.

SECTION 3.24. Marketing of Production. Except for contracts listed and in effect on the date hereof on Schedule 3.24, or thereafter either disclosed in writing to the Administrative Agent or included in the most recently delivered Reserve Report (with respect to all of which contracts the Borrower represents that it or another Loan Party is receiving a price for all production sold thereunder which is computed substantially in accordance with the terms of the relevant contract and are not having deliveries curtailed substantially below the Property's delivery capacity), no Loan Party is a party to a material agreement that is not cancelable on sixty (60) days' notice or less without penalty or detriment for the sale of production from the Loan Parties' Hydrocarbons (including calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a) pertains to the sale of production at a fixed price (excluding a fixed differential) and (b) has a maturity or expiry date of longer than six (6) months from the date of such disclosure or the date of such Reserve Report, as applicable.

SECTION 3.25. Swap Agreements. Schedule 3.25 sets forth a true and complete list of all Swap Agreements of the Loan Parties in effect as of the Effective Date, the material terms thereof (including the type, effective date, term or termination date and notional amounts or volumes), the estimated net mark to market value thereof, all credit support agreements relating thereto (including any margin required or supplied) and the counterparty to each such agreement, which such counterparty is an Approved Swap Counterparty.

SECTION 3.26. Ad Valorem and Severance Taxes. Except to the extent that the failure to pay or discharge would not reasonably be expected to result in a loss or forfeiture of any material Oil and Gas Property of the Loan Parties, each of the Loan Parties has paid and discharged all ad valorem Taxes that are payable and have been assessed against its Oil and Gas Properties or any part thereof and all production, severance and other Taxes that are payable and have been assessed against, or measured by, the production or the value, or proceeds, of the production therefrom, other than Taxes that are being contested in accordance with the provisions of Section 5.04.

SECTION 3.27.Beneficial Ownership Certification. As of the Effective Date, all of the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

ARTICLE IV

Conditions

SECTION 4.01.Effective Date. The obligations of the Lenders to make Revolving Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement. The Administrative Agent shall have received from each party hereto counterparts (in such number as may be requested by the Administrative Agent) of:

(i) this Agreement signed on behalf of such party;

(ii) Notes executed by the Borrower in favor of each Lender, if any, which has requested Notes pursuant to Section 2.07(e), duly completed and dated the Effective Date; and

(iii) from each party thereto, counterparts (in such number as may be requested by the Administrative Agent) of the Guaranty Agreement signed on behalf of such party.

(b) Closing Certificates. The Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) Officer's Certificate. A certificate from a Responsible Officer of the Borrower, certifying that (A) the conditions specified in Sections 4.01(c) have been satisfied, (B) that either (i) all governmental, shareholder and third party consents, licenses and approvals required pursuant to Section 4.01(e)(i) have been received by the Loan Parties and are in full force and effect, or (ii) no such consents, licenses or approvals are so required and (C) as to the matters set forth in Section 4.01(e)(ii).

(ii) Secretary's Certificates. A certificate from the secretary of the Borrower and each other Loan Party (or if such Person does not have a secretary, a Responsible Officer) certifying as to the incumbency and genuineness of the signature of each Responsible Officer of such Person executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation (or equivalent) of such Person and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority (to the extent available) in its jurisdiction of incorporation (or equivalent), (B) the bylaws or other governing document of such Person as in effect on the Effective Date (including all amendments thereto and such amendments as reasonably requested by the Administrative Agent), (C) resolutions duly adopted by the board of directors (or other governing body) of the Borrower authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is or will be a party, and (D) each certificate required to be delivered pursuant to Section 4.01(b)(iii).

(iii) Certificates of Good Standing. To the extent available, certificates as of a recent date as to the good standing of the Borrower and each other Loan Party under the laws of its jurisdiction of incorporation, (or equivalent) and, to the extent requested by the Administrative Agent, each other jurisdiction where the Borrower or such Loan Party owns Oil and Gas Properties or is qualified to do business and, to the extent available, a certificate of the relevant taxing authorities of such jurisdictions certifying that the Borrower has filed required tax returns and owes no delinquent taxes.

(c) Representations and Warranties; Defaults; Material Adverse Effect.

(i) The representations and warranties of the Borrower and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the Effective Date (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

(ii) At the time of and immediately after giving effect to the Transactions to occur on the Effective Date, no Default or Event of Default shall have occurred and be continuing.

(iii) Since December 31, 2021, there has not occurred any event, development or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect.

(d) Fee Letter. The Administrative Agent shall have received a fully executed Fee Letter.

(e) Consents; Proceedings.

(i) Governmental and Third Party Approvals. The Loan Parties shall have received all governmental, shareholder and third party consents, licenses and approvals necessary in connection with the transactions contemplated by this Agreement and the other Loan Documents, other than the Hart-Scott-Rodino Act.

(ii) No Injunction, Etc. No action, proceeding or investigation shall have been instituted, threatened or proposed before any Governmental Authority to enjoin, restrain or prohibit the execution and delivery by the Loan Parties of this Agreement or the other Loan Documents or the consummation of the transactions contemplated hereby or thereby.

(f) Opinion. The Administrative Agent shall have received a favorable opinion of counsel from Fox Rothschild LLP, special counsel to the Loan Parties, in form and substance satisfactory to the Administrative Agent. Such opinion shall be addressed to the Administrative Agent and the Lenders and shall expressly permit reliance by the permitted successors and assigns of the Administrative Agent and the Lenders.

(g) Lien Searches and Environmental Assessments.

(i) Lien Searches. The Administrative Agent shall have received the results of a recent Lien search (including a search as to judgments, bankruptcy and tax matters), in form and substance reasonably satisfactory to the Administrative Agent, in each of the jurisdictions or offices in which UCC financing statements or other filings or recordations (including mortgages) should be made to evidence or perfect security interests in the assets of each of the Loan Parties, indicating among other things that the assets of each such Loan Party are free and clear of any Lien (except for Permitted Liens).

(ii) Environmental Assessments. The Administrative Agent shall be satisfied with the environmental condition of the Oil and Gas Properties of the Loan Parties and shall have received copies of all existing environmental assessments and other environmental reports relating thereto.

(h) Property and Liability Insurance. The Administrative Agent shall have received, in each case in form and substance reasonably satisfactory to the Administrative Agent, evidence of property and liability insurance covering each Loan Party (with appropriate endorsements naming the Administrative Agent as "additional insured" on all policies for liability insurance) and the properties of the Loan Parties satisfying the requirements of Section 5.12, evidence of payment of all insurance premiums for the current policy year of each such policy, and if requested by the Administrative Agent, copies of such insurance policies.

(i) Financial Statements. The Administrative Agent shall have received the audited consolidated balance sheet and statements of income or operations, stockholders' equity and cash flows of the Borrower and its Consolidated Subsidiaries as of and for the Fiscal Year ended December 31, 2021, reported on by PricewaterhouseCoopers, independent public accountants.

(j) Initial Reserve Report. The Administrative Agent shall have received the Initial Reserve Report.

(k) Title. The Administrative Agent shall have received title information in form and substance reasonably satisfactory to the Administrative Agent with respect to the Oil and Gas Properties of the Loan Parties.

(l) Amended and Restated Shareholder Loan Agreements. The Administrative Agent shall have received true and correct copies of duly executed consents to each Amended and Restated Shareholder Loan Agreements to permit this Agreement and the Obligations, each in form and substance satisfactory to the Administrative Agent.

(m) Subordination Agreement. The Administrative Agent shall have received from each party thereto, fully executed counterparts of the Subordination Agreement.

(n) Solvency Certificate. The Borrower shall have delivered to the Administrative Agent a certificate in the form of Exhibit G.

(o) Miscellaneous.

(i) USA PATRIOT Act, Etc. Each Loan Party shall have provided to the Administrative Agent and the Lenders at least five (5) Business Days prior to the Effective Date the documentation and other information requested by the Administrative Agent or any Lender in order to comply with requirements of the USA PATRIOT Act and applicable "know your customer" and anti-money laundering rules and regulations, including but not limited to the Borrower's Form W-9. If the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, it shall have delivered to the Administrative Agent and directly to any Lender requesting the same, a Beneficial Ownership Certification at least ten Business Days prior to the Effective Date.

(ii) Other Documents. All opinions, certificates and other instruments and all proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Administrative Agent. The Administrative Agent and the Lenders shall have received copies of all other documents, certificates and instruments reasonably requested thereby with respect to the transactions contemplated by this Agreement.

(iii) Payment of Fees; Expense Reimbursement. The Administrative Agent and the Lenders shall have received payment of all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one Business Day prior to the Effective Date (or otherwise set forth in a funds flow or similar statement approved by the Borrower), reimbursement or payment of all out-of-pocket expenses required to

be reimbursed or paid by the Loan Parties hereunder (including payment of the invoiced and reasonable documented fees, charges and out-of-pocket expenses of outside counsel to the Administrative Agent, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent)).

(iv) Due Diligence. The Administrative Agent and each Lender shall have completed its business due diligence investigation (including the receipt of any requested due diligence reports), and each Lender and the Administrative Agent and its counsel shall have completed all legal due diligence, in each case the results of which shall be satisfactory to each Lender and the Administrative Agent.

Without limiting the generality of the provisions of Article VIII, for purposes of determining compliance with the conditions specified in this Section 4.01, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Effective Date specifying its objection thereto.

SECTION 4.02. Each Borrowing. The obligation of each Lender to make a Revolving Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower and the other Loan Parties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the date of such Borrowing (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03.

(d) The Administrative Agent shall have received all documents and/or invoices showing the proposed use of the proceeds of at least 90% of the requested Revolving Loan (all such documents or invoices to be in form and substance satisfactory to the Administrative Agent), such use of proceeds to be in accordance with Section 5.09.

(e) The Borrower shall have (i) delivered to the Administrative Agent a certificate (in form and substance satisfactory to the Administrative Agent) certifying as to (1) the Estimated Marketer Receivables Amount as of the date of the proposed Borrowing and (2) the condition in Section 4.02(f) and (ii) provided the Administrative Agent any reasonably requested information with respect to the calculation of the Marketer Receivables Amount.

(f) The Estimated Marketer Receivables Amount shall exceed the sum of (i) the aggregate principal amount of all outstanding Revolving Loans and (ii) the aggregate principal amount of the requested Borrowing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower and the other Loan Parties on the date thereof as to the matters specified in paragraphs (a), (b) and (f) of this Section 4.02.

ARTICLE V

Affirmative Covenants

From the Effective Date until Payment in Full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01.Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent (for distribution to each Lender):

(a) within ninety (90) days after the end of each Fiscal Year of the Borrower (or, after a Qualified IPO, if earlier, by the date that the Annual Report on Form 10-K of the Borrower for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) (commencing with the Fiscal Year ending December 31, 2022), (i) the audited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income or operations, stockholders' equity and cash flows of the Borrower and its Consolidated Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers or other independent public accountants of recognized national standing or otherwise acceptable to the Administrative Agent (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries on a consolidated basis as of such date and the results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis for such Fiscal Year, in each case in accordance with GAAP consistently applied and (ii) a narrative management discussion and analysis of the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries for such Fiscal Year;

(b) within forty-five (45) days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (or, after a Qualified IPO, if earlier, by the date that the Quarterly Report on Form 10-Q of the Borrower for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) (commencing with the Fiscal Quarter ending September 30, 2022), the unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Quarter and the related statements of income or operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then-elapsed portion of the then-current Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition of the Borrower and its Consolidated Subsidiaries on a consolidated basis as of such date and the results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis for the period or periods then ended, in each case in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clauses (a) or (b) of this Section 5.01, a Compliance Certificate (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations of the financial covenants contained in Section 6.11 (to the extent required to be tested as of the last day of the fiscal period covered by such financial statements);

(d) promptly following the written request of the Administrative Agent, certificates of insurance coverage and endorsements with respect to the insurance required by Section 5.12, in form and substance reasonably satisfactory to the Administrative Agent, and, if requested by the Administrative Agent, all copies of the applicable policies;

(e) (i) not later than thirty (30) days prior to the end of each Fiscal Year (beginning the Fiscal Year ending December 31, 2022), a copy of a Cashflow Projection for each month in the following Fiscal Year and (ii) not later than 20 days after the end of each month (beginning the month ending January 31, 2023), a summary of actual cashflow for such month in form and substance acceptable to the Administrative Agent;

(f) concurrently with the delivery of any Cashflow Projection pursuant to Section 5.01(e)(i), a forecast of the volume of production and forecasted sales attributable to production (and the forecasted prices at which such sales are to be made and the projected revenues derived from such sales) from Oil and Gas Properties for the related Fiscal Year covered by such Cashflow Projection, including setting forth the related projected ad valorem, severance and production taxes and lease operating expenses attributable thereto and projected to be incurred for each month during such Fiscal Year (all in form and substance acceptable to the Administrative Agent);

(g) promptly following the written request of the Administrative Agent, copies of any Material Contract and any amendments, modifications, waivers, or supplements thereto;

(h) promptly following the written request of the Administrative Agent, a list of all Persons purchasing Hydrocarbons from the Borrower or any of its Subsidiaries under contracts with a term exceeding one month (or, with respect to Oil and Gas Properties that are not operated by the Borrower or any of its Subsidiaries, a list of the operators of such properties);

(i) within forty-five (45) days after the end of each Fiscal Quarter, a report setting forth, for each calendar month such Fiscal Quarter, the volume of production and sales attributable to production for which cash activity has been recorded (and the prices at which such sales were made and the revenues derived from such sales) from the Oil and Gas Properties, and setting forth the related ad valorem, severance and production taxes and lease operating expenses attributable thereto and incurred for each such calendar month;

(j) within forty-five (45) days after the end of each Fiscal Quarter, a report setting forth the Capital Expenditures made by the Borrower and its Subsidiaries during such Fiscal Quarter, in reasonable detail;

(k) within forty-five (45) days after the end of each Fiscal Quarter, (i) a report setting forth, as of the last day of such Fiscal Quarter, a summary of all outstanding Swap Agreements (including the type, strike price and notional amounts or volumes), any credit support documents relating thereto, any margin required or supplied under any credit support document, the counterparty to each such Swap Agreement and (ii) demonstrating compliance with the requirements of Section 5.16(b) with respect to Swap Agreements to be entered into or maintained within fourteen (14) days after the end of the Fiscal Quarter most recently ended;

(l) not less than three (3) Business Days' prior to making a Restricted Payment pursuant to Section 6.08(d) or Restricted Debt Payments pursuant to Section 6.18(a)(ii), a certificate of a Financial Officer in substantially the form of Exhibit F hereto setting forth (i) the Specified Amount, including the calculation thereof, as of the date of delivery of such certificate and (ii) the Specified Amount immediately after giving effect to such Restricted Payment or Restricted Debt Payment;

(m) within eight (8) Business Days after the last day of any month on which no Borrowing has occurred, the Borrower shall deliver to the Administrative Agent (i) a certificate of a Financial Officer certifying (1) as to the Marketer Receivables Amount as of the last day of such month and (2) that the amount in clause (1) equals or exceeds the aggregate amount of Revolving Loans outstanding on the last day of such month and (ii) any additional information reasonably requested by the Administrative Agent with respect thereto;

(n) promptly following the written request of the Administrative Agent, such other information regarding the operations, business

affairs and financial condition of the Borrower or any Subsidiary of the Borrower, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request; and

(o) promptly following the written request of the Administrative Agent, all documentation and other information that such Lender or the Administrative Agent reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender) the following:

(a) promptly, and in any event within five (5) Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge of the occurrence thereof, written notice of the occurrence of any Default;

(b) promptly, and in any event within five (5) Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Subsidiaries that could reasonably be expected to result in the imposition of liability in excess of $10,000,000 to the extent not covered by insurance, subject to normal deductibles;

(c) promptly, and in any event within five (5) Business Days after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in the imposition of liability in excess of $10,000,000;

(d) promptly upon the receipt thereof, or the acquisition of knowledge by a Responsible Officer of a Loan Party, a copy of any form of request, claim, complaint, order, notice, summons or citation received from any Governmental Authority or any other Person (i) concerning violations or alleged violations of Environmental Laws that seek to impose liability therefor in excess of $10,000,000, or (ii) concerning any action or omission on the part of any of such Loan Party in connection with Hazardous Materials that could reasonably result in the imposition of liability in excess of $10,000,000 or requiring that action be taken to respond to or clean up a Release of Hazardous Materials into the environment and such action or clean-up could reasonably be expected to exceed $10,000,000, including without limitation any information request related to, or notice of, potential responsibility under CERCLA;

(e) promptly after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, the occurrence of any Casualty Event with respect to Property of the Borrower or any of its Subsidiaries with a fair market value in excess of $10,000,000 or the commencement of any action of proceeding that could reasonably be expected to result in such a Casualty Event, together with a reasonably detailed description thereof;

(f) promptly after a Responsible Officer of the Borrower or any of its Subsidiaries obtains knowledge thereof, any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect;

(g) promptly, and in any event within ten (10) Business Days after a Responsible Officer of Borrower or any of its Subsidiaries obtains knowledge thereof, written notice of the receipt by Borrower or any of its Subsidiaries of any written default notices under or with respect to any Material Contract;

(h) prior to any Disposition under Section 6.04 anticipated to generate in excess of $5,000,000 in Net Proceeds, prior written notice of such Disposition, which notice shall (i) describe such Disposition and the nature and material terms and conditions of such transaction and (ii) state the estimated Net Proceeds anticipated to be received by any Loan Party from such Disposition; and

(i) promptly, and in any event within fifteen (15) days after any such event, written notice of any change in the Marketer.

Each notice delivered under clauses (a) through (g) of this Section shall be accompanied by a statement of a Responsible Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

After the occurrence of a Qualified IPO, documents required to be delivered pursuant to Section 5.01(a) or (b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business and maintain, if necessary, its qualification to do business in each jurisdiction in which its Oil and Gas Properties are located or the ownership of its Properties require such qualification, in each case (other than with respect to the preservation of existence of any Loan Party) except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities

that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except with respect to any Tax liabilities where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP (to the extent required under GAAP) or (b) the failure to make payment could not reasonably be expected to result in a Material Adverse Effect or result in the seizure or levy of any Proved Oil and Gas Properties with an aggregate fair market value in excess of $5,000,000.

SECTION 5.05.Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to:

(a) operate its Oil and Gas Properties, or cause such Oil and Gas Properties to be operated, in a reasonably prudent manner in accordance with the customary practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all applicable Governmental Requirements, including applicable proration requirements and Environmental Laws, and all applicable laws, rules and regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of such Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom, except, in each case, where the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(a) maintain and keep in good repair, working order and efficiency (ordinary wear and tear excepted) all of its Oil and Gas Properties and other Properties material to the operation thereof, including all equipment, machinery and facilities, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(b) promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all material delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties (except where the validity or amount thereof is being contested in good faith by appropriate proceedings and the applicable Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP (to the extent required by GAAP)) and will do all other things necessary, in accordance with industry standards, to keep unimpaired its rights with respect thereto and prevent any forfeiture thereof or default thereunder, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(c) promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Oil and Gas Properties and other Properties material to the operation thereof, except, in each case, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect;

(d) operate its Oil and Gas Properties and other Properties material to the operation thereof, or make reasonable and customary efforts to cause such Oil and Gas Properties and other material Properties to be operated, in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Governmental Requirements, except, in each case, where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and

(e) to the extent that neither the Borrower nor any Subsidiary of the Borrower is the operator of any Property, use commercially reasonable efforts to cause the operator to comply with the requirements of this Section 5.05.

SECTION 5.06.Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries that are full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its Properties, to examine and make extracts from its books and records and to discuss its affairs, finances and condition with its officers and independent accountants, all at reasonable times during normal business hours; provided that, excluding any such visits and inspections during the continuation of any Event of Default, only the Administrative Agent (or any of its representatives or independent contractors) on behalf of the Lenders may exercise the rights of the Administrative Agent and the Lenders under this Section 5.06 and, unless an Event of Default shall have occurred and be continuing, the Borrower shall only be responsible for the costs and expenses of one such visit and inspection per calendar year. The Administrative Agent shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent accountants. Notwithstanding anything to the contrary in this Section 5.06, none of the Borrower nor any Subsidiary shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by applicable law or any material binding agreement between the Borrower or any of the Subsidiaries and a Person that is not the Borrower or any of the Subsidiaries and not entered into in contemplation of preventing such disclosure, inspection or examination or (iii) is subject to attorney-client or similar privilege or constitutes attorney work-product.

SECTION 5.07. Environmental Laws. The Borrower shall, at its sole expense: (i) comply, and shall cause its real property and operations and each of its Subsidiaries and each of its Subsidiaries' real property and operations to comply, with applicable Environmental Laws, the breach of which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (ii) not Release or threaten to Release, and shall cause each of its Subsidiaries not to Release or threaten to Release, any Hazardous Material on, under, about or from any Properties of the Borrower or any of its Subsidiaries or any other Property offsite the Property to the extent caused by the operations of the Borrower or any of its Subsidiaries except in compliance with applicable Environmental Laws, if and to the extent that the Release or threatened Release of such Hazardous Materials, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iii) timely obtain or file, and shall cause each of its Subsidiaries to timely obtain or file, all Environmental Permits to be obtained or filed in connection with the operation or use of any Properties of the Borrower or any of its Subsidiaries, if and to the extent that the failure to obtain or file such Environmental Permits, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iv) promptly

commence and diligently prosecute to completion, and shall cause each of its Subsidiaries to promptly commence and diligently prosecute to completion, any assessment, evaluation, investigation, monitoring, containment, cleanup, removal, repair, restoration, remediation or other remedial obligations (collectively, the "Remedial Work") in the event such Remedial Work is required or is reasonably necessary under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of Hazardous Material on, under, about or from any real property of the Borrower or any of its Subsidiaries, if and to the extent that failure to commence and diligently prosecute to completion such Remedial Work, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (v) conduct, and cause each Subsidiary to conduct, their respective operations and businesses in a manner that will not expose any Property or Person to Hazardous Materials that could reasonably be expected to form the basis for a claim for damages or compensation which claim could reasonably be expected to have a Material Adverse Effect; and (vi) establish and implement, and shall cause each Subsidiary to establish and implement, such procedures as may be necessary to continuously determine and assure that the Borrower's and the other Subsidiaries' obligations under this Section 5.07 are timely and fully satisfied, to the extent the failure to establish and implement such procedures could reasonably be expected to have a Material Adverse Effect. To the extent that neither the Borrower nor any Subsidiary is the operator of any Oil and Gas Property, the Borrower and the Subsidiaries shall use commercially reasonable efforts to cause the operator to comply with the requirements of this Section 5.07.

SECTION 5.08.Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.09. Use of Proceeds. The Borrower will use the proceeds of the Revolving Loans only for the purposes set forth in Section 3.20. The Borrower will not request any Borrowing and shall not use, and shall procure that its Subsidiaries and its and their respective directors, officers, employees and agents shall not use, directly or indirectly, the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation, by any Person, of any Sanctions or other anti-money laundering rules and regulations applicable to any party hereto.

SECTION 5.10. Compliance with ERISA. In addition to and without limiting the generality of Section 5.08, the Borrower shall, and shall cause each of its Subsidiaries and each ERISA Affiliate to, (a) except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) comply with applicable provisions of ERISA, the Code and the regulations and interpretations thereunder with respect to all Plans and other employee benefit plans, (ii) not take any action or fail to take action the result of which could reasonably be expected to result in a liability to the PBGC or to a Multiemployer Plan, (iii) not participate in any prohibited transaction that could result in any civil penalty under ERISA or tax under the Code and (iv) operate each employee benefit welfare plan (as defined in Section 3(1) of ERISA) in such a manner that will not result in any tax liability under Section 4980B of the Code or any liability to any qualified beneficiary as defined in Section 4980B of the Code and (b) furnish to the Administrative Agent upon the Administrative Agent's request such additional information about any Plan or other employee benefit plan as may be reasonably requested by the Administrative Agent or the Required Lenders.

SECTION 5.11. Subsidiary Guarantors; Further Assurances.

(a) In the event that, at any time after the Effective Date, any Person becomes a Subsidiary of the Borrower, whether pursuant to formation, acquisition or otherwise, the Borrower shall promptly (and, in any event, within thirty (30) days after such formation, acquisition or otherwise, as such time period may be extended by the Administrative Agent in its sole discretion) (i) cause such Subsidiary to (A) become a Guarantor by delivering to the Administrative Agent a duly executed supplement to the Guaranty Agreement or such other document as the Administrative Agent shall deem reasonably appropriate for such purpose and (B) deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 4.01 as may be reasonably requested by the Administrative Agent.

(b) The Borrower and each Subsidiary will, at its sole expense, promptly execute and deliver to each Agent all such other documents, agreements and instruments reasonably requested by such Agent to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of any Loan Party, as the case may be, in the Loan Documents or to correct any omissions in this Agreement, or to make any recordings, file any notices or obtain any consents, all as such Agent may deem necessary or advisable in its reasonable discretion.

SECTION 5.12.Insurance. The Borrower will, and will cause each of its Subsidiaries to maintain with financially sound and reputable carriers insurance in such amounts and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and as may be required by applicable material Governmental Requirements. The Borrower will furnish to the Lenders, upon the request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.13. Management of BKV-BPP. The Borrower will cause the management, business and affairs of each of the Borrower and its Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, furnishing separate financial statements of BKV-BPP to creditors thereof and by not permitting assets of the Borrower and its Subsidiaries to be commingled with those of BKV-BPP) so that BKV-BPP will be treated as an entity separate and distinct from the Borrower and each Subsidiary.

SECTION 5.14. Reserve Reports.

(a) Within sixty (60) days after the end of each Fiscal Year of the Borrower (commencing with the Fiscal Year ending December 31, 2022), the Borrower shall furnish to the Administrative Agent (for distribution to the Lenders) (i) a Reserve Report prepared by the Borrower and audited by

one or more Approved Petroleum Engineers (each, an "Approved Petroleum Engineer Reserve Report") evaluating the Oil and Gas Properties of the Borrower and the other Loan Parties to which Proved Reserves are attributable as of December 31st of such Fiscal Year and (ii) with respect to such Reserve Report, related Reserve Report Supporting Materials.

(b) Within forty-five (45) days after the end of each Fiscal Quarter ending on June 30th of each Fiscal Year (commencing with June 30, 2023), the Borrower shall furnish to the Administrative Agent (for distribution to the Lenders) (i) a Reserve Report evaluating the Oil and Gas Properties of the Borrower and the other Loan Parties to which Proved Reserves are attributable as of June 30th of such Fiscal Year, such Reserve Report to be prepared internally by or under the supervision of the chief petroleum engineer of the Borrower, who shall certify such Reserve Report to be true and accurate in all material respects and, except as otherwise specified therein, to have been prepared in accordance with the procedures used in the immediately preceding Approved Petroleum Engineer Reserve Report and (ii) with respect to any such Reserve Report, related Reserve Report Supporting Materials.

(c) Reserved.

(d) With the delivery of each Reserve Report, the Borrower shall provide to the Administrative Agent (for distribution to the Lenders) a certificate (the "Reserve Report Certificate") from a Responsible Officer certifying on behalf of the Borrower that in all material respects: (i) the information furnished by the Loan Parties to the applicable petroleum engineers in connection with the preparation of such Reserve Report is true and correct in all material respects, it being understood that projections concerning volumes attributable to the Oil and Gas Properties of the Borrower and the other Loan Parties and production and cost estimates contained in the Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Borrower does not warrant that such opinions, estimates and projections will ultimately prove to have been accurate, (ii) each of the Borrower and the other Loan Parties has defensible title (subject to Immaterial Title Deficiencies) to the Proved Oil and Gas Properties evaluated in the related Reserve Report (except for those Properties that have been Disposed of since the date of such Reserve Report in accordance with this Agreement or leases which have expired in accordance with their terms), (iii) except as set forth on an exhibit to the certificate, on a net basis there are no gas imbalances, take-or-pay or other prepayments in excess of the threshold specified in Section 3.23 with respect to its Oil and Gas Properties evaluated in such Reserve Report which would require the Borrower or any other Loan Party to deliver Hydrocarbons either generally or produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor, (iv) none of the Loan Parties' Proved Oil and Gas Properties have been sold (other than Hydrocarbons sold in the ordinary course of business) since the date of the previous Reserve Report except as set forth on an exhibit to the certificate, which exhibit shall list all of such Proved Oil and Gas Properties sold and in such detail as reasonably required by the Administrative Agent and (v) attached to the certificate is a list of all marketing agreements entered into by a Loan Party subsequent to the later of the date hereof or the most recently delivered Reserve Report which the Borrower could reasonably be expected to have been obligated to list on Schedule 3.24 had such agreement been in effect on the date hereof.

SECTION 5.15.Title Information. Upon any request of the Administrative Agent, the Borrower shall promptly supply the Administrative Agent with any reasonably requested title information with respect to the Loan Parties' Oil and Gas Properties.

SECTION 5.16 Required Commodity Hedging. After the end of each Fiscal Quarter (beginning the Fiscal Quarter ending June 30, 2023), the Borrower and one or more Approved Swap Counterparties shall enter into Swap Agreements reasonably satisfactory to the Administrative Agent (or maintain Swap Agreements reasonably satisfactory to the Administrative Agent, entered into with Approved Swap Counterparties):

(i) hedging notional volumes not less than 50% of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, from the Loan Parties' Oil and Gas Properties that constitute Proved Developed Producing Reserves (as reflected in the most recently delivered Reserve Report) for a period of not less than twelve (12) months from the end of such Fiscal Quarter; and

(ii) hedging notional volumes not less than 25% of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, from the Loan Parties' Oil and Gas Properties that constitute Proved Developed Producing Reserves (as reflected in the most recently delivered Reserve Report) for a period beginning thirteen (13) months from the end of such Fiscal Quarter and ending twenty-four (24) months from the end of such Fiscal Quarter.

SECTION 5.17.Ranking of Obligations. The Borrower will, and will cause each Loan Party to, take all such actions as shall be necessary to ensure that the Obligations of the Borrower or such Loan Party rank at least equally with all other unsecured and unsubordinated obligations of such Loan Party, except obligations mandatorily (and not consensually) preferred by applicable law, and ahead of all subordinated Indebtedness, if any, of such Loan Party.

SECTION 5.18. Material Contracts. The Borrower will maintain in force all Material Contracts except amendments, supplements, or other modifications that could not reasonably be expected to cause a Material Adverse Effect and or materially impair the Loans Parties' respective businesses and operations.

SECTION 5.19. Solvency. At all times, the Borrower shall individually be, and the Borrower and its Subsidiaries shall on a consolidated basis be, Solvent.

SECTION 5.20.Anti-Corruption Laws; USA PATRIOT Act; Anti-Terrorism Laws and Sanctions.

(a) The Borrower will maintain in effect policies and procedures designed to ensure compliance by the Borrower, the Subsidiaries, BKV-BPP and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

(b) The Borrower, the Subsidiaries, BKV-BPP, their respective officers and employees and, to the knowledge of the Borrower, their respective directors and agents shall at all times be in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and shall not engage in any activity that would reasonably be expected to result in any of the Borrower, the Subsidiaries or BKV-BPP being designated as a Sanctioned Person.

(c) None of (x) the Borrower, any Subsidiary, BKV-BPP or any of their respective directors, officers or employees, or (y) to the knowledge of the Borrower, any agent of the Borrower that will act in any capacity in connection with or benefit from the credit facility established hereby, shall be a Sanctioned Person.

SECTION 5.21. Specified Royalty Payments. If the Borrower shall make any Borrowing, the Loan Parties shall pay the applicable Payees any Specified Royalty Payments on or prior to the last day of the month in which such Borrowing occurs and, within five (5) Business Days after the last day of such month, provide written notice of such payments and any other supporting information in connection therewith as reasonably requested by the Administrative Agent.

SECTION 5.22. Minimum Marketer Receivables Amount. The Borrower shall ensure that, as of the last day of any month (other than any month in which a Borrowing is made), the Marketer Receivables Amount as of such day shall exceed the aggregate principal amount of Revolving Loans of all Revolving Lenders on such day.

ARTICLE VI

Negative Covenants

From the Effective Date until Payment in Full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations under this Agreement;

(b) Indebtedness existing on the date hereof and set forth on Schedule 6.01;

(c) Indebtedness of any Loan Party owing to any other Loan Party;

(d) the Term Loan Credit Agreement Obligations in an amount not to exceed $600,000,000;

(e) Indebtedness of the Borrower or any Subsidiary of the Borrower incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, and extensions, renewals and replacements of any such Indebtedness; provided that (i) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness incurred pursuant to this Section 6.01(e) shall not exceed $5,000,000 at any time outstanding;

(f) Indebtedness incurred to finance insurance premiums in an aggregate principal amount not to exceed the amount of such insurance premiums;

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

(h) to the extent constituting Indebtedness, Indebtedness associated with workers' compensation claims, performance, bid, surety or similar bonds or surety obligations required by Governmental Requirements or third parties in the ordinary course of business in connection with the operation of the Oil and Gas Properties;

(i) (i) earnout obligations consisting of the Subject Payments, (ii) Indebtedness in the form of indemnification, incentive, non-compete, consulting or other similar arrangements in respect of any Investments permitted hereunder and (iii) Indebtedness arising from agreements providing for indemnification related to sales of goods or adjustment of purchase price or similar obligations in any case incurred in connection with the sale or other disposition of any business, assets or Subsidiary permitted hereunder;

(j) unsecured Indebtedness incurred (A) under the Uncommitted Credit Facility Agreements in an amount not to exceed $65,000,000 or (B) otherwise for working capital purposes; provided that (1) the aggregate amount of Indebtedness incurred pursuant to this clause (j) shall not exceed, when combined with the aggregate amount of Indebtedness under this Agreement (including the principal amount of all Loans hereunder) (x) at any time prior to the consummation of a Qualified IPO, an amount equal to $150,000,000 or (y) on or after the consummation of a Qualified IPO, an amount equal to $200,000,000, (2) such Indebtedness, if not incurred under any Uncommitted Credit Facility Agreement, shall not mature earlier than 91 days after the Maturity Date, (3) such Indebtedness shall rank pari passu or junior in right of payment to the Revolving Loans, and if junior, shall be subject to customary subordination terms reasonably acceptable to the Administrative Agent and (4) the proceeds of any such Indebtedness incurred pursuant to this clause (j) may not be used to prepay any Subordinated Shareholder Loans; and

(k) Indebtedness of the Borrower owing to Banpu North America arising from Subordinated Shareholder Loans; and

(l) unsecured Indebtedness of the Borrower or any Subsidiary Guarantor incurred in respect of letters of credit issued in the ordinary course of business.

SECTION 6.02.Liens. The Borrower will not, and will not permit any Subsidiary of the Borrower to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Subsidiary of the Borrower existing on the date hereof and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other Property or asset of the Borrower or any Subsidiary of the Borrower and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the original outstanding principal amount thereof unless such increased amount is otherwise permitted hereunder (plus the amount of any capitalized fees and expenses incurred in connection with such extension, renewal or replacement);

(c) Liens existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary of the Borrower after the Effective Date prior to the time such Person becomes a Subsidiary; provided that (i) such Liens are not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Liens shall not apply to any other property or assets of the Borrower or any Subsidiary and (iii) such Liens shall secure only those obligations which they secure on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be; provided further that any such Liens shall only be permitted in connection with any such acquisition or such Person becoming a Subsidiary until the date that is two (2) months after the date of such acquisition or such Person becoming a Subsidiary, as the case may be;

(d) Liens securing Indebtedness incurred pursuant to Section 6.01(e); provided that (i) such Liens are created prior to or within sixty (60) days after such acquisition or the completion of such construction or improvement, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iii) such Liens do not encumber any other property or assets of the Borrower or any Subsidiary of the Borrower (other than improvements, accessions, proceeds and assets fixed or appurtenant thereto and except that individual financings by a lender may be cross-collateralized to other financings by such lender or its Affiliate);

(e) Liens on insurance policies and the proceeds thereof securing the financing of the related insurance premiums permitted under Section 6.01(f);

(f) Liens on property of any Loan Party securing obligations of such Loan Party owing to any other Loan Party;

(g) except as prohibited at any time under the terms of the Term Loan Credit Agreement, Liens encumbering Properties of the Borrower and its Subsidiaries (other than Equity Interests in Subsidiaries of the Borrower) having an aggregate value, when aggregated with the aggregate value of all Oil and Gas Properties Disposed of pursuant to Section 6.04(d), not to exceed $25,000,000 (after giving effect to the incurrence of any such new Liens); and

(h) except as prohibited at any time under the terms of the Term Loan Credit Agreement, other Liens as may be agreed in writing by the Required Lenders in their sole discretion.

SECTION 6.03.Fundamental Changes; Nature of Business .

(a) The Borrower will not, and will not permit any of its Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or Dispose of all or substantially all of its Property (whether in a single transaction or a series of transactions), or liquidate or dissolve, including, in each case, pursuant to a Division, except:

(i) any Subsidiary of the Borrower may merge into the Borrower or a Subsidiary Guarantor in a transaction in which the surviving entity is the Borrower or a Subsidiary Guarantor (provided that any such merger involving the Borrower must result in the Borrower as the surviving entity);

(ii) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets to the Borrower or any Subsidiary Guarantor;

(iii) any Subsidiary of the Borrower may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders (provided that all assets and property of such Subsidiary are distributed to a Loan Party in connection with such liquidation or dissolution);

(iv) if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, any Person (other than the Borrower or a Subsidiary) may participate in a merger or consolidation with a Subsidiary of the Borrower in connection with any Investment permitted under Section 6.05 (provided that, if such merger or consolidation involves a Subsidiary Guarantor, a Subsidiary Guarantor shall be the continuing or surviving entity); and

(v) any Subsidiary of the Borrower may effect a merger, dissolution, liquidation or consolidation to effect a Disposition permitted pursuant to Section 6.04 or an Investment permitted pursuant to Section 6.05.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, (i) engage in any business other than the exploration, development, production and sale of Hydrocarbons, midstream, downstream, carbon capture, utilization and storage (CCUS), solar and activities reasonably incidental or related thereto or (ii) acquire or make any other expenditure (whether such expenditure is capital, operating or otherwise) in or related to, any Oil

and Gas Properties not located within the geographical boundaries of Canada, the United States or Mexico.

(c) The Borrower will not, nor will it permit any of its Subsidiaries to, change its Fiscal Year from the basis in effect on the Effective Date.

SECTION 6.04. Asset Sales. The Borrower shall not, nor shall it permit any of its Subsidiaries to, Dispose of any of its assets (including any of the Equity Interests of any of its Subsidiaries), whether now owned or hereafter acquired, including pursuant to a Division, except that the Borrower and its Subsidiaries may:

(a) sell Hydrocarbons, seismic data or Cash Equivalents in the ordinary course of business;

(b) enter into (i) Acreage Swaps and (ii) farmouts of undeveloped acreage or undrilled depths, in each case, to which no Proved Reserves are attributed and assignments in connection with such farmouts;

(c) Dispose of equipment and other personal property that is obsolete, worn out or uneconomic and Disposed of in the ordinary course of business or no longer necessary for the business of the Borrower or such Subsidiary of the Borrower or is replaced by equipment or other personal property of at least comparable value and use;

(d) Dispose of any Oil and Gas Property or any interest therein (including any Equity Interests in any Subsidiary that owns Oil and Gas Properties); provided that:

(i) except with respect to Casualty Events, no Default or Event of Default shall have occurred and be continuing at the time of such Disposition,

(ii) at least 75% of the consideration (other than environmental or other liabilities associated with such property and assumed by the purchaser or its Affiliates) received in respect of such Disposition shall be cash or Cash Equivalents,

(iii) the consideration received in respect of such Disposition shall be equal to or greater than the fair market value of the Oil and Gas Properties or interest therein (or Equity Interests) subject of such Disposition (as reasonably determined by a Responsible Officer of the Borrower and if requested by the Administrative Agent, the Borrower shall deliver a certificate of a Responsible Officer of the Borrower certifying to the foregoing),

(iv) the Borrower shall make all mandatory prepayments required by, and within the time periods set forth in, the Term Loan Credit Agreement in connection with such Disposition, and

(v) the total value of all Oil and Gas Properties Disposed of under this clause (d), when aggregated with the total aggregate value of the Properties of the Borrower and its Subsidiaries subject to Liens incurred pursuant to Section 6.02(g), shall not exceed $25,000,000 (after giving effect to such Disposition);

(e) enter into licenses of technology in the ordinary course of business;

(f) enter into leases or subleases of real or personal property and grant easements, rights-of-way, permits, licenses, restrictions or the like with respect to real or personal property, in each case, which do not interfere in any material respect with the ordinary course of business of the Borrower and its Subsidiaries;

(g) Dispose of Property to a Loan Party or among Loan Parties;

(h) unwind, monetize or terminate any Swap Agreement (including as may be necessary to comply with Section 6.06(a)), so long as, immediately after giving effect to such unwind, monetization or termination, the Borrower shall be in compliance with the minimum hedging requirements of Section 5.16, provided that in connection therewith, the Borrower shall make all mandatory prepayments required by, and within the time periods set forth in, the Term Loan Credit Agreement;

(i) license, sublicense, abandon or otherwise Dispose of intellectual property rights in the ordinary course of business; and

(j) sell or discount without recourse accounts receivable in the ordinary course of business in connection with the compromise or collection thereof.

SECTION 6.05.Investments, Loans, Advances, Guarantees and Acquisitions . The Borrower will not, and will not permit any of its Subsidiaries to, make any Investment in any Person, except:

(a) Investments in Cash Equivalents;

(b) Investments by the Borrower and its Subsidiaries existing on the date hereof in the Equity Interests of its Subsidiaries;

(c) Investments made by any Loan Party in or to any other Loan Party;

(d) Guarantees constituting Indebtedness permitted by Section 6.01;

(e) any guarantees by the Borrower and its Subsidiaries of the operating or commercial obligations (to the extent not constituting Indebtedness) of the Borrower or any of its Subsidiaries incurred in the ordinary course of business;

(f) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the granting of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(g) deposits made in the ordinary course of business to secure the performance of leases or other obligations as permitted by Section 6.02;

(h) Reserved;

(i) loans made by the Borrower to Temple Generation I LLC pursuant to the BKV- Temple Loan Agreement in an aggregate principal amount not to exceed $15,000,000 at any time outstanding;

(j) Investments in direct or indirect ownership interests in additional Oil and Gas Properties and Properties related to oil and gas exploration and production activities, midstream, downstream, carbon capture, utilization and storage (CCUS), solar and any other related businesses located within the geographic boundaries of Canada, the United States and Mexico so long as after giving pro forma effect thereto no Default or Event of Default shall have occurred and be continuing;

(k) any other Investment (other than acquisitions) not otherwise permitted by this Section 6.05, so long as (i) at the time of such Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and (ii) the aggregate amount of all such Investments made pursuant to this clause (k) does not exceed $5,000,000 at any time outstanding;

(l) Investments in the form of Swap Agreements not prohibited under Section 6.06;

(m) Investments in the ordinary course of business consisting of (x) endorsements for collection or deposit and customary trade arrangements with customers and (y) deposits, prepayments and/or other credits to suppliers, vendors or other trade counterparties; and

(n) promissory notes and other non-cash consideration received by the Borrower, the Borrower or any Subsidiary in connection with any Disposition permitted hereunder.

SECTION 6.06. Swap Agreements.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreements in respect of commodities with any Person other than Swap Agreements in respect of commodities (i) with an Approved Swap Counterparty, (ii) the tenor of which does not exceed five (5) years and (iii) the notional volumes for which (other than for (x) basis differential swaps on volumes hedged pursuant to other Swap Agreements and (y) Swap Agreements providing for floors), when aggregated with all other commodity Swap Agreements then in effect (other than for (x) basis differential swaps on volumes hedged pursuant to other Swap Agreements and (y) Swap Agreements providing for floors) do not exceed on a monthly basis (determined, in the case of contracts that are not settled on a monthly basis, by a monthly proration acceptable to the Administrative Agent), as of the date the latest hedging transaction is entered into under any such Swap Agreement, ninety percent (90%) of the reasonably anticipated projected production of crude oil, natural gas and natural gas liquids, calculated in the aggregate, attributable to Proved Developed Producing Reserves of the Loan Parties evaluated in the most recently delivered Reserve Report.

(b) No Swap Agreement shall be entered into for speculative purposes.

(c) For purposes of entering into or maintaining Swap Agreement trades or transactions under this Section 6.06, forecasts of reasonably anticipated production from the Proved Oil and Gas Properties of the Borrower and its Subsidiaries as set forth on the most recent Reserve Report delivered pursuant to the terms of this Agreement shall, at the option of the Borrower, be deemed to be updated to account for any increase or decrease therein anticipated because of information obtained by the Borrower or any of its Subsidiaries and delivered to the Administrative Agent subsequent to the publication of such Reserve Report including, without limitation, the internal forecasts of the Borrower and its Subsidiaries of production decline rates for existing wells, additions to or deletions from anticipated future production from new wells, completed dispositions, and completed acquisitions coming on stream or failing to come on stream; provided that any such supplemental information shall be provided to the Administrative Agent and be reasonably satisfactory to the Administrative Agent and if any such supplemental information is delivered, such information shall be presented on a net basis (*i.e.*, it shall take into account both increases and decreases in anticipated production subsequent to publication of the most recent Reserve Report).

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of, or officer or director of, the Borrower or any Subsidiary of the Borrower, except at prices and on terms and conditions that are no less favorable to the Borrower or such Subsidiary, as the case may be, than those that could be obtained at the time from a Person who is not an officer, director or Affiliate of the Borrower or any Subsidiary of the Borrower; provided that the foregoing restriction shall not apply to (a) any transaction solely between or among the Loan Parties not involving any other Affiliate, (b) fees and compensation to, reimbursement of expenses of, and indemnity provided on behalf of, officers, directors and employees of the Borrower or any of its Subsidiaries in their capacity as such, to the extent such fees and compensation are customary, (c) any Restricted Payment permitted by Section 6.08 and Investments permitted by Section 6.05, (d) issuances of Equity Interests of the Borrower not prohibited by this Agreement, and (e) the performance of employment, equity award, equity option or equity appreciation agreements, plans or similar compensation or benefit plans or arrangements (including vacation plans, health and insurance plans, deferred compensation plans and retirement or savings plans); provided, further, that in no event shall the Borrower or any of

its Subsidiaries enter into any transaction providing financial support to any Permitted Holder.

SECTION 6.08. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) the Borrower may declare and pay dividends with respect to its Qualified Equity Interests payable solely in additional units or shares of its Equity Interests (other than Disqualified Equity Interests);

(b) Subsidiaries may declare and pay dividends to the Borrower and other Subsidiaries ratably with respect to their Equity Interests;

(c) the Borrower may redeem, acquire, retire or repurchase, for cash, shares of Equity Interests (other than Disqualified Equity Interests) of the Borrower held by an present or former officer, manager, director or employee of the Borrower or any of its Subsidiaries upon the death, disability, retirement or termination of employment of any such person or otherwise make Restricted Payments pursuant to Qualifying Benefit Plans so long as, in each case, no Default or Event of Default exists at the time of such payment or results therefrom; and

(d) the Borrower may make Restricted Payments in an aggregate amount not to exceed the Specified Amount so long as the Payment Conditions have been met.

SECTION 6.09. Reduction in Share Capital. The Borrower will not, and will not permit any of its Subsidiaries or any other Person to, redeem, purchase or otherwise reduce any of the Borrower's or any Subsidiary's authorized or outstanding Equity Interests or the share capital of the Borrower or its Subsidiaries, except in each case as permitted by Section 6.08.

SECTION 6.10. Sale and Leaseback Transactions. The Borrower will not, nor will it permit any of its Subsidiaries to, consummate any Sale and Leaseback Transaction.

SECTION 6.11. Financial Covenants.

(a) Minimum Asset Coverage Ratio. The Borrower will not, as of December 31 and June 30 of any Fiscal Year (beginning December 31, 2022), permit the Asset Coverage Ratio to be less than 2.00 to 1.00.

(b) Maximum Total Net Leverage Ratio. The Borrower will not, as of the last day of any Fiscal Quarter (commencing with the Fiscal Quarter ending September 30, 2022), permit the Total Net Leverage Ratio to be greater than 2.50 to 1.00.

(c) Minimum Consolidated Fixed Charge Coverage Ratio. The Borrower will not, as of the last day of any Fiscal Quarter (commencing with the Fiscal Quarter ending September 30, 2022), permit the Consolidated Fixed Charge Coverage Ratio to be less than 1.30 to 1.00.

SECTION 6.12. Amendments to Organizational Documents. The Borrower shall not, nor shall it permit any of its Subsidiaries to amend, modify, waive or supplement (or permit any modification, amendment, waiver or supplement of) any of the terms or provisions of its Organizational Documents in any manner that is materially adverse to the interests of the Lenders.

SECTION 6.13. Sale or Discount of Receivables. Except for the settlement of joint interest billing accounts in the ordinary course of business or discounts granted to settle collection of accounts receivable or the sale of defaulted accounts arising in the ordinary course of business in connection with the compromise or collection thereof and not in connection with any financing transaction, the Borrower will not, and will not permit any of its Subsidiaries to, discount or sell (with or without recourse) any of its notes receivable or accounts receivable.

SECTION 6.14. Foreign Subsidiaries. The Borrower shall not, nor shall it permit any of its Subsidiaries to, create, acquire or permit to exist any Subsidiary which is not organized under the laws of a jurisdiction located in the United States of America.

SECTION 6.15. Proceeds of Loans. The Borrower and each Subsidiary of the Borrower will not permit the proceeds of the Revolving Loans to be used for any purpose other than those permitted by Section 3.20. The Borrower shall not issue a Borrowing Request and the Borrower shall not use, and shall procure that its directors, officers, employees and agents shall not use, the proceeds of the Revolving Loans (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country to the extent such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 6.16. Take-or-Pay or Other Prepayments. Except as set forth on Schedule 3.23 or in the most recent certificate delivered pursuant to Section 5.14(d), the Borrower will not, and will not permit any of its Subsidiaries to, allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to the Proved Oil and Gas Properties of the Loan Parties that would require any Loan Party to deliver Hydrocarbons either generally or produced from Oil and Gas Properties at some future date with a value of $5,000,000 or more, which in the case of imbalances, would be satisfied no later than forty five (45) days after being occurred.

SECTION 6.17. Marketing Activities. The Borrower will not, and will not permit any of its Subsidiaries to, engage in marketing activities for any Hydrocarbons or enter into any contracts related thereto other than (a) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be

produced from their Proved Oil and Gas Properties during the period of such contract and (b) contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from Proved Oil and Gas Properties of third parties during the period of such contract associated with the Oil and Gas Properties of the Borrower or any Subsidiary that the Borrower or such Subsidiary has the right to market pursuant to joint operating agreements, unitization agreements or other similar contracts that are usual and customary in the oil and gas business.

SECTION 6.18. Prepayment of Subordinated Shareholder Loans; Amendments to Subordinated Shareholder Loan Documents .

(a) The Borrower shall not, nor shall the Borrower permit any of its Subsidiaries to, (i) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Subordinated Shareholder Loan, (ii) make any cash payment of interest on any Subordinated Shareholder Loans ((i) and (ii), each, a "Restricted Debt Payment"), or (iii) make any payment in violation of any subordination terms of any Subordinated Shareholder Loans, except:

(i) the refinancing thereof with the net proceeds of, or in exchange for, any Indebtedness permitted to be incurred pursuant to Section 6.01; and

(ii) any Restricted Debt Payments in an amount not to exceed the Specified Amount so long as the Payment Conditions are met.

(b) The Borrower shall not, nor shall it permit any of its Subsidiaries to, amend, modify or change any agreement governing any Subordinated Shareholder Loans (including the Amended and Restated Shareholder Loan Agreements) in a manner materially adverse to the interests of the Lenders without the prior written consent of the Administrative Agent (provided that, for the avoidance of doubt, any amendment which would (x) increase the rate of interest applicable to any Subordinated Shareholder Loan, (y) make any Subordinated Shareholder Loan secured, or (z) make the principal amount of any Subordinated Shareholder Loan due and payable at an earlier time than prior to giving effect to such amendment shall be considered materially adverse to the interests of the Lenders).

SECTION 6.19.Reserved.

SECTION 6.20.Amendments to Uncommitted Credit Facility Agreements/Term Loan Credit Agreement. The Borrower shall not, nor shall it permit any of its Subsidiaries to, amend, modify or change any Uncommitted Credit Facility Agreement or the Term Loan Credit Agreement, in each case in a manner materially adverse to the interests of the Lenders without the prior written consent of the Administrative Agent.

ARTICLE VII

Events of Default

SECTION 7.01.Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the principal of any Revolving Loan shall not be paid when such payment is due, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any interest on any Revolving Loan, any fee or any other amount (other than an amount referred to in clause (a) of this Section 7.01) payable under this Agreement or any other Loan Document shall not be paid when the same shall become due and payable and such failure shall continue unremedied for a period of (i) with respect to interest, two (2) Business Days solely to the extent such failure is as a result of a technical or administrative error and (ii) for any fee or any other amount (other than an amount referred to in clause (a) or (b)(i) of this Section 7.01), two (2) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in any respect);

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence), 5.04, 5.11, 5.14, 5.22 or in Article VI;

(e) (i) any Loan Party shall fail to observe or perform the covenant in Section 5.22 and such failure shall continue unremedied for a period of five (5) Business Days, (ii) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.01(a), Section 5.01(b) or Section 5.01(c), and such failure shall continue unremedied for a period of ten (10) Business Days or (iii) the Borrower or any other Loan Party, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b), (d) or (e)(i) or (ii) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after the earlier of (A) notice thereof from the Administrative Agent to the Borrower or (B) a Responsible Officer of the Borrower or any other Loan Party becoming aware of such default;

(f) the Borrower or any Subsidiary of the Borrower shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace periods);

(g) other than as specified in clause (f) of this Article, any Loan Party defaults under any Material Indebtedness (other than, with respect to Material Indebtedness consisting of a Swap Agreement, termination events or equivalent events pursuant to the terms of such Swap Agreement not arising as a result of a default by any Loan Party thereunder) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary of the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary of the Borrower shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 7.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary of the Borrower or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, or (v) make a general assignment for the benefit of creditors;

(j) the Borrower or any Subsidiary of the Borrower shall admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more final judgments for the payment of money in an aggregate amount in excess of $10,000,000 shall be rendered against the Borrower or any Subsidiary of the Borrower or any combination thereof (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary of the Borrower to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Administrative Agent, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Loan Parties in an aggregate amount exceeding $10,000,000;

(m) a Change in Control shall occur;

(n) the occurrence of a material adverse change in the business, operations, properties, liabilities or financial condition of the Borrower and its Subsidiaries, taken as a whole;

(o) the Borrower and its Subsidiaries, taken as a whole, shall cease normal business operations;

(p) any Loan Party shall cease, suspend or Dispose of its core business without the consent of the Required Lenders;

(q) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to any of the Loan Parties described in clause (h) or (i) of this Section 7.01), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments (if not already terminated), and thereupon the Commitments shall terminate immediately, and (ii) declare the Revolving Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Revolving Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Loan Party; and in case of any event described in clause (h) or (i) of this Section 7.01, the Commitments shall automatically terminate and the principal of the Revolving Loans then outstanding, together with accrued interest thereon, any break funding payments required by Section 2.18 with respect thereto and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Loan Party. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall (subject to its rights and protections under Article VIII), exercise any rights and remedies provided to the Administrative Agent, as applicable, under the Loan Documents or at law or equity, including all remedies provided under the UCC.

SECTION 7.02. Right to Cure Defaults.

(a) In the event that the Borrower fails to comply with Section 6.11(b) or Section 6.11(c) as of the last day of any Fiscal Quarter (a "Cure Quarter") then during the period beginning on the Cure Period Start Date and ending ten (10) Business Days after the date the Compliance Certificate for such Cure Quarter is required to be delivered pursuant to Section 5.01(d) (the "Cure Period"), the Borrower shall be permitted to cure such failure to comply by receiving a Specified Contribution and by recalculating the financial covenant in Section 6.11(b) of Section 6.11(c) by increasing Consolidated EBITDA for such Cure Quarter by an amount up to the amount of the Specified Contribution received by the Borrower during the Cure Period (the "Cure Right"). If, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of Section 6.11(b) or

Section 6.11(c), the Borrower shall be deemed to have satisfied the requirements of Section 6.11(b) or Section 6.11(c) as of the last day of the applicable Cure Quarter with the same effect as though there had been no failure to comply with Section 6.11(b) or Section 6.11(c) on such date, and the applicable Default or Event of Default with respect to Section 6.11(b) or Section 6.11(c) and the Cure Quarter that had occurred shall be deemed not to have occurred for purposes of this Agreement and the other Loan Documents; provided, however, that:

(i) the Borrower shall notify the Administrative Agent in writing during the period beginning on the Cure Period Start Date and ending five (5) Business Days after the date the Compliance Certificate for such Cure Quarter is required to be delivered pursuant to Section 5.01(d) (the "Cure Election Period") that the Borrower intends to exercise the Cure Right in respect of the applicable Cure Quarter;

(ii) in each period of four consecutive Cure Quarters there shall be at least two Cure Quarters in which no Cure Right is exercised;

(iii) the Cure Right shall not be exercised more than five times during the term of this Agreement;

(iv) the amount of each Specified Contribution that may be applied to increase Consolidated EBITDA for the applicable Cure Quarter shall not exceed the amount required to cause the Borrower to be in compliance with Section 6.11(b) with respect to such Cure Quarter;

(v) all proceeds of any Specified Contribution shall for the purposes of this Section 7.02 be treated as increases to Consolidated EBITDA rather than as decreases in Indebtedness (except if such Specified Contribution is in the form of a Subordinated Shareholder PIK Loan, in which case such Specified Contribution shall also be treated as a decrease in Indebtedness as a result of the related mandatory prepayment of Revolving Loans required by Section 2.08(d));

(vi) the amount of any Specified Contribution used to increase Consolidated EBITDA shall be credited to the applicable Cure Quarter and such amount may be included in the calculation of Consolidated EBITDA for any consecutive four Fiscal Quarter period that includes such Cure Quarter; and

(vii) Consolidated EBITDA shall be increased solely for the purpose of recalculating and complying with the financial covenant in Section 6.11(b) or Section 6.11(c) in accordance with this Section 7.02 and not for the purpose of calculating Consolidated EBITDA for any other purpose.

Upon receipt by the Administrative Agent of written notice from the Borrower, on or prior to the expiration of the Cure Election Period, that the Borrower intends to exercise a Cure Right in respect of a Fiscal Quarter, the Lenders shall not be permitted to accelerate payment of any Obligations owed to them or to exercise remedies, in each case, on the basis of a failure to comply with the requirements of Section 6.11(b) or Section 6.11(c) as of the end of such Fiscal Quarter, unless such failure is not cured pursuant to the exercise of the Cure Right on or prior to the expiration of the Cure Period; provided, however, that (i) the Cure Right shall not affect in any way the rights and remedies of the Lenders or the Administrative Agent with respect to any other Default or Event of Default and (ii) for the avoidance of doubt, unless and until (x) such failure to comply is cured pursuant to the exercise of the Cure Right and (y) the Borrower has delivered a certificate to the Administrative Agent certifying that the proceeds of the Specified Contribution were used exclusively to prepay any Revolving Loan in accordance with Section 2.08(d), in each case, on or prior to the expiration of the Cure Period, the Borrower and its Subsidiaries shall be prohibited from taking any action that is prohibited under the Loan Documents from being taken while a Default or Event of Default exists. The Administrative Agent shall not be responsible for determining whether a Cure Right has been properly exercised in accordance with the terms of this Section 7.02. The proceeds of any Specified Contribution received by the Borrower shall be used to prepay any Revolving Loans then outstanding in accordance with Section 2.08(d).

(b) In the event that the Borrower fails to comply with Section 5.22 as of the last day of any calendar month in which such covenant is tested (a "Cure Month") then the Borrower shall make the mandatory prepayment of Revolving Loans required pursuant to Section 2.08(e) within the time period provided therein. If the Borrower makes such mandatory prepayment of Revolving Loans within the time period provided in Section 2.08(e), the Borrower shall be deemed to have satisfied the requirements of Section 5.22 as of the last day of the applicable Cure Month with the same effect as though there had been no failure to comply with Section 5.22 on the last day of such Cure Month, and any applicable Default or Event of Default with respect to Section 5.22 shall be deemed not to have occurred for purposes of this Agreement and the other Loan Documents.

(c) For the avoidance of doubt, in the event that a mandatory prepayment is required pursuant to subsection (b), (c), (d) or (f) of Section 2.08 and the Borrower makes such mandatory prepayment within the time period prescribed in such subsection, no Default or Event of Default shall be deemed to have occurred for purposes of this Agreement and the other Loan Documents.

ARTICLE VIII

The Agents

SECTION 8.01. Appointment and Authorization.

(a) Each Lender hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent under the Loan Documents and each Lender authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, to

exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders, as applicable (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender; *provided, however*, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification satisfactory to it from the Lenders with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable Requirements of Law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided further* that the Administrative Agent may seek clarification or direction from the Required Lenders, as applicable, prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender or holder of any other obligation other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable Requirements of Law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and the transactions contemplated hereby;

(ii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) Reserved.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Revolving Loan or any Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.09, 2.10, 2.12, 2.14 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender and each other Credit Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the other Credit Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and, except solely to the extent of the

Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Credit Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

SECTION 8.02. Administrative Agent's Reliance, Indentification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders, as applicable, (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower, a Lender and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent, or (vi) the creation, perfection or priority of Liens on any collateral.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Revolving Loan that by its terms must be fulfilled to the satisfaction of a Lender, may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender sufficiently in advance of the making of such Revolving Loan and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

SECTION 8.03. Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. Each of the Lenders and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM IN THE ABSENCE OF ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT (SUCH ABSENCE TO BE PRESUMED UNLESS OTHERWISE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY A FINAL AND NONAPPEALABLE JUDGMENT).

(d) Each Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable Requirements of Law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04. The Administrative Agent Individually . With respect to its Commitment and Revolving Loans, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender, as the case may be. The terms "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders.

SECTION 8.05. Successor Administrative Agent .

(a) The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right (with, so long as no Event of Default exists, the consent of the Borrower, which shall not be unreasonably withheld or delayed) to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.06. Acknowledgment of Lenders .

(a) Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Revolving Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

(c) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such

Person), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(i) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(ii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of satisfying such Obligations.

(iii) Each party's obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 8.07. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Revolving Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Revolving Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent or its Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the

reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Revolving Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any its Affiliates for investment advice (as opposed to other services) in connection with the Revolving Loans, the Commitments or this Agreement.

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Revolving Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Revolving Loans or the Commitments for an amount less than the amount being paid for an interest in the Revolving Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.08. Administrative Agent May File Proof of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower or any Subsidiary of the Borrower, the Administrative Agent (irrespective of whether the principal of any Revolving Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Revolving Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Administrative Agent under Section 9.03) allowed in such judicial proceeding;

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 9.03. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Indebtedness or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

SECTION 8.09. Data Protection. The Borrower acknowledges the purposes and details with respect to the Administrative Agent's collection, use and disclosure of personal data as well as the rights of the data subject as stated in the Privacy Notice and the Written Request for Consent Relating to the Collection, Use, and Disclosure of Personal Data (copies of which have been distributed to the Borrower prior to the Effective Date). The Borrower hereby confirms to the Administrative Agent that (1) the Borrower has notified details of the Privacy Notice of the Administrative Agent to the person(s) whose personal data has been provided by the Borrower to the Administrative Agent and such person is informed of details as stated in the Privacy Notice of the Administrative Agent, and (2) the Borrower has legitimate rights to disclose any information of any other person(s) whose personal data has been provided by the Borrower to the Administrative Agent. The Borrower accepts and agrees that the Administrative Agent is entitled to collect and use the information which the Borrower has provided to the Administrative Agent or which derives from the use of the service under this agreement and other information related to the use of the service under this agreement or other information which the Administrative Agent has received or obtained from other sources, and is entitled to send, transfer or disclose such information to companies within the Administrative Agent's financial group, business partners, outsource service providers, agents of the Administrative Agent, assignees of the Administrative Agent's rights or obligations, assignees of the Administrative Agent's claims, advisors, other financial institutions, credit rating agencies, external auditors, agencies or any Persons related to the business operation of the Administrative Agent, both domestic and overseas, for the purposes stated in the Privacy Notice of the Administrative Agent, including (a) for compliance with its obligations under this Agreement or any

other Loan Document or in connection with this Agreement or any other Loan Document, including for compliance with any agreement or contract entered into between the Administrative Agent and any other Person related to or in connection with the provision of service under this Agreement or any other Loan Document, (b) for notification, communication, examination or response to any inquiries or complaints related to the use of the service under this Agreement or any other Loan Document at the request of the Borrower or any other Person related to the provision of service under this Agreement or any other Loan Document, (c) for analysis, processing, management or use of information obtained from the utilization of the Administrative Agent's or any Lender's products or services in order to facilitate such utilization by the Borrower and for advertisement, granting or offering privileges, benefits, rewards and products or services likely to be suitable to, or meet requirements of, the Borrower, as well as for assessment, development and improvement of the products and services of the Administrative Agent or any Lender, (d) for operations relating to information technology, (e) for compliance, risk management and any audit related to the service provision of the Administrative Agent including business management of the Administrative Agent, companies within the Administrative Agent's financial group and the Administrative Agent's affiliates or business partners and (f) for compliance with laws, regulations, orders or procedures prescribed by government agencies or regulatory authorities as well as for debt collection, exercise of claims or enforcement of legal rights.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail, as follows:

(i) if to the Borrower, to

BKV Corporation
1200 17th Street, Suite 2100
Denver CO 80202
Attention: Chief Executive Officer
Email: chriskalnin@bkvcorp.com

With a copy to:
BKV Corporation
1200 17th Street, Suite 2100
Denver CO 80202
Attention: General Counsel
Email: legal@bkvcorp.com

With a copy to (which copy shall not constitute notice):

Fox Rothschild, LLP
1225 17th Street, Suite 2200
Denver, CO 80202
Attn: Gregory Brown
Email: gbrown@foxrothschild.com

(ii) if to the Administrative Agent and the sole Lender (as of the Effective Date), to

Bangkok Bank Public Company Limited (New York Branch)
Address: 29 Broadway, 19th Floor
New York, NY 10016
Attention: Sirivan Chuaypradit
Email: sirivan.chu@bangkokbank.com

With a copy to (which copy shall not constitute notice):

Sidley Austin LLP
1000 Louisiana, Suite 5900
Houston, TX 77002
Attn: Herschel T. Hamner III
Email: hhamner@sidley.com

(iii) if to any other Lender, to it at its address or e-mail address set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent;

provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Revolving Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof nor any other Loan Document nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by (x) in the case of this Agreement, the Borrower and the Required Lenders (with a copy to the Administrative Agent), the Borrower and the Administrative Agent with the consent of the Required Lenders, and (y) in the case of any other Loan Document, each Loan Party that is a party thereto and the Required Lenders, or each Loan Party that is a party thereto and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Revolving Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Revolving Loan (including by way of extension of the Maturity Date), or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.15(b) or 2.15(c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vi) release all of substantially all of the Guarantors from their guarantee obligations under the Guaranty Agreement(other than as provided in Section 9.14 below) without the written consent of each Lender, (vii) release the Borrower from its obligations under the Loan Documents without the written consent of each Lender, (viii) contractually subordinate any Obligations in contractual right of payment to any other debt or other obligations, including any other Revolving Loans hereunder, without the consent of each Lender directly and adversely affected thereby (provided, however, in no event shall this clause (viii) restrict any "debtor in possession" financing) or (ix) waive any condition set forth in Section 4.01 or 4.02 without the written consent of each applicable Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement in accordance with Section 2.16(b).

(d) Notwithstanding anything to the contrary herein, (i) the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency and (ii) the Administrative Agent and the Borrower (or other applicable Loan Party) may enter into any amendment, modification or waiver of this Agreement or any other Loan Document or as required by any Governmental Requirement to give effect to, protect or otherwise enhance the rights or benefits of any Lender under the Loan Documents without the consent of any other party to this Agreement.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of Sidley Austin LLP, counsel for the Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for

herein, the preparation, execution and delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Revolving Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Revolving Loans.

(b) THE BORROWER SHALL INDEMNIFY THE ADMINISTRATIVE AGENT, ANY SUB-AGENT OF THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN "INDEMNITEE") AGAINST, AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LOSSES, CLAIMS, DAMAGES, LIABILITIES AND RELATED EXPENSES, INCLUDING THE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE, INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE EXECUTION OR DELIVERY OF ANY LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OF THEIR RESPECTIVE OBLIGATIONS THEREUNDER OR THE CONSUMMATION OF THE TRANSACTIONS OR ANY OTHER TRANSACTIONS CONTEMPLATED HEREBY, (II) ANY LOAN OR THE USE OF THE PROCEEDS THEREFROM, (III) ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY PROPERTY OWNED OR OPERATED BY THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR (IV) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER OR NOT SUCH CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING IS BROUGHT BY THE BORROWER OR ANY OTHER LOAN PARTY OR ITS OR THEIR RESPECTIVE EQUITY HOLDERS, AFFILIATES, CREDITORS OR ANY OTHER THIRD PERSON AND WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, AND TO REIMBURSE EACH INDEMNITEE WITHIN THIRTY (30) DAYS AFTER RECEIPT OF WRITTEN DEMAND FOR ANY REASONABLE AND DOCUMENTED OUT-OF-POCKET LEGAL OR OTHER EXPENSES INCURRED IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY OF THE FOREGOING (BUT LIMITED, IN THE CASE OF LEGAL FEES AND EXPENSES, TO ONE EXTERNAL COUNSEL FOR THE INDEMNITEES, TAKEN AS A WHOLE, AND, IF REASONABLY NECESSARY (AS REASONABLY DETERMINED BY THE APPLICABLE INDEMNITEES), ONE FIRM OF LOCAL COUNSEL IN EACH RELEVANT JURISDICTION, AND, SOLELY IN THE CASE OF AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST (AS REASONABLY DETERMINED BY ANY INDEMNITEE) WHERE THE AFFECTED INDEMNITEE INFORMS THE BORROWER OF SUCH CONFLICT, ONE ADDITIONAL EXTERNAL COUNSEL FOR ALL AFFECTED INDEMNITEES SIMILARLY SITUATED, TAKEN AS A WHOLE, AND, IF REASONABLY NECESSARY (AS REASONABLY DETERMINED BY THE AFFECTED INDEMNITEES SIMILARLY SITUATED), ONE FIRM OF LOCAL COUNSEL IN EACH RELEVANT JURISDICTION FOR THE AFFECTED INDEMNITEES SIMILARLY SITUATED, TAKEN AS A WHOLE); PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES (X) ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE OR (Y) HAVE NOT RESULTED FROM AN ACT OR OMISSION BY THE BORROWER OR ANY OF ITS AFFILIATES AND HAVE BEEN BROUGHT BY AN INDEMNITEE AGAINST ANY OTHER INDEMNITEE (OTHER THAN ANY CLAIMS AGAINST ANY INDEMNITEE IN ITS CAPACITY AS AGENT OR ANY SIMILAR ROLE HEREUNDER). THIS SECTION 9.03(b) SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS OR DAMAGES ARISING FROM ANY NON-TAX CLAIM.

(c) Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraph (a) or (b) of this Section 9.03 to the Administrative Agent and each Related Party of the Administrative Agent (each, an "Agent Indemnitee") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Revolving Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Revolving Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; *provided* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Revolving Loans and all other amounts payable hereunder.

(d) To the extent permitted by applicable law, each party to this Agreement agrees not to assert, and hereby waives, any claim against any other party to this Agreement or any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions or any Revolving Loan or the use of the proceeds thereof; provided that nothing contained herein shall limit the obligation of the Borrower to indemnify any Indemnitee in accordance with this Section 9.03 against any such special, indirect, consequential or punitive damages that may be awarded to any third person against such Indemnitee. No Indemnitee shall be liable for any direct or indirect damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including, without limitation, the Internet, email or similar electronic transmission systems); provided that this sentence shall not, as to any Indemnitee, apply to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee.

(e) All amounts due under this Section shall be paid promptly (but in any event not later than thirty (30) days) after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the sub-agents and Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Revolving Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof); provided that no consent of the Borrower shall be required for any assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Revolving Loans, the amount of the Commitments or Revolving Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause (B) shall not prohibit any Lender from assigning all or a proportionate part of its rights and obligations in respect of Commitments or Revolving Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500, such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, (d) any Permitted Holder or any portfolio company thereof or (e) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof. Notwithstanding anything to the contrary contained in this Agreement, (i) the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Ineligible Institutions and (ii) the Borrower (on behalf of itself and the other Loan Parties) and the Lenders acknowledge and agree that the Administrative Agent shall have no responsibility or obligation to determine whether any Lender or potential Lender is an Ineligible Institution and that the Administrative Agent shall have no liability with respect to any assignment or participation made to an Ineligible Institution.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective or recordation date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment

and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.14 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior written notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(b), 2.15(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Revolving Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.15 and 2.16 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.12 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.16(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.15(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Revolving Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Revolving Loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Revolving Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as necessary for the Borrower or the Administrative Agent to satisfy its obligations under FATCA. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Revolving Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until Payment in Full. The provisions of Sections 2.12, 2.14, 9.03, 9.09, 9.10 and 9.16 and Section VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Revolving Loans, the expiration or termination of the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall be deemed an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided further* without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Related Parties of any Lender for any liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any liabilities arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and any dispute, claim or controversy arising out of or relating to this Agreement (whether arising in contract, tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

(b) Except as set forth in the immediately following sentence, each party hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party hereto or any Related Party of any other party hereto in any way relating to this Agreement or any other Loan Document or the Transactions, in any forum other than the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, or the United States District Court for the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto hereby irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such New York State court or, to the extent permitted by applicable Requirements of Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that any Credit Party may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its Properties in the courts of any jurisdiction for the purposes of enforcing a judgment, or to the extent the courts referred to in the preceding sentence do not have jurisdiction over such legal action or proceeding or the parties or property subject thereto.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in the first sentence of paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION**.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its (i) Affiliates' directors, (ii) officers, (iii) employees and agents, including accountants, legal counsel and other advisors and (iv) any insurer, insurance broker, reinsurer or provider of security and their affiliated companies, auditors, advisors and service providers, in each case in this clause (iv) arising from or in connection with the provision of credit support or insurance, (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (in which case the Administrative Agent or such Lender, as applicable, agrees to inform the Borrower promptly thereof (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory or self-regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by law, rule or regulation and to only disclose that Information necessary to fulfill such legal requirement), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, (ii) becomes available to the Administrative Agent any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (iii) is independently developed by the Administrative Agent, or any such Lender without the use of Information. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.14. Releases of Guarantors.

(a) So long as no Default or Event of Default has occurred and is continuing (or would result from such release) any Subsidiary Guarantor shall be released from its obligations under the Guaranty Agreement and the other Loan Documents if all of the Equity Interests of a Subsidiary Guarantor that is owned by the Borrower or a Subsidiary is sold or otherwise Disposed of in a transaction or transactions permitted by this Agreement. In connection with any release pursuant to this Section, the Administrative Agent shall, promptly upon receipt of a written request therefor from the Borrower (together with an certificate of a Responsible Officer of the Borrower certifying that such transaction is permitted hereunder), execute and deliver all documents and take such other action as may reasonably be requested to evidence such release of such Subsidiary Guarantor. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Upon Payment in Full, the Guaranty Agreement and all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Revolving Loan, together with all fees, charges and other amounts which are treated as interest on such Revolving Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Revolving Loan in accordance with applicable law, the rate of interest payable in respect of such Revolving Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Revolving Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Revolving Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Loan Parties are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any of the Loan Parties or their Affiliates, or any other Person and (B) no Lender nor any of its Affiliates has any obligation to any of the Loan Parties or their Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Loan Parties or their Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

BKV CORPORATION,

as the Borrower

By /s/ Christopher P. Kalnin

Name: Christopher P. Kalnin
Title: Chief Executive Officer

Signature Page to Credit Agreement
[BKV Corporation]

BANGKOK BANK PUBLIC COMPANY LIMITED,
NEW YORK BRANCH,

as Administrative Agent and as a Lender

By /s/ Thitipong Prasertsilp

Name: Thitipong Prasertsilp
Title: Vice President and Branch Manager

Signature Page to Revolving Credit Agreement
[BKV Corporation]

Exhibit 10.5

FORM OF

STOCKHOLDERS' AGREEMENT

DATED AS OF [ ], 2022

BETWEEN

BKV CORPORATION

AND

BANPU NORTH AMERICA CORPORATION

TABLE OF CONTENTS

FORM OF STOCKHOLDERS' AGREEMENT

This Stockholders' Agreement is entered into as of [ ], 2022, by and between BKV Corporation, a Delaware corporation (the " Company"), and Banpu North America Corporation, a Delaware corporation ("BNAC"), to be effective as of the Effective Date (as defined herein). Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings set forth in Article I hereof. The Company and BNAC are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS:

WHEREAS, the Parties entered into that certain Stockholders' Agreement, dated as of May 1, 2020, among the Parties and certain other Persons named therein (as amended, the "Original Stockholders' Agreement");

WHEREAS, in connection with the initial public offering (the "IPO") of shares of the Company's Common Stock, the Company intends to consummate the transactions described in the Registration Statement on Form S-1 (Registration No. 333-[ ]); and

WHEREAS, effective as of the closing of the IPO, (i) the Original Stockholders' Agreement shall terminate in its entirety in accordance with its terms and shall be of no further force nor effect and (ii) the Parties are entering into this Agreement to set forth certain understandings between such Parties, including with respect to certain governance matters.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
INTRODUCTORY MATTERS

1.1 Defined Terms. In addition to the terms defined elsewhere herein, the following terms have the following meanings when used herein with initial capital letters:

(a) "Affiliate" means, with respect to any Person, any Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person; provided, however, that for the purposes of this Agreement, the Affiliates of Banpu shall not include the Company and its Subsidiaries.

(b) "Agreement" means this Stockholders' Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

(c) "Applicable Percentage" means, at any time, the then-applicable percentage of the voting power of shares of the Company's capital stock entitled to vote generally in the election of directors that is beneficially owned, directly or indirectly, by Banpu.

(d) "Auditor" means the independent registered public accounting firm appointed by the Board or the Audit Committee of the Board as auditor of the Company from time to time.

(e) "Banpu" means BNAC, together with its successors and permitted assigns, but excluding the Company and its Subsidiaries.

(f) "Banpu Designee" has the meaning set forth in Section 2.1(a) hereof.

(g) "beneficially own" (including its correlative meanings, "beneficially owned" and "beneficial ownership") has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

(h) "BNAC" has the meaning set forth in the Preamble.

(i) "Board" means the board of directors of the Company.

(j) "Budget" means the annual budget for the Company and its Subsidiaries as approved and/or amended from time to time by the Board.

(k) "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, NY are authorized or obligated by law or executive order to close.

(l) "Business Plan" means the rolling business plan for the Company and its Subsidiaries updated annually in respect of the forthcoming five (5) year period setting out details of their strategic planning in respect of market growth, capital expenditure, financing, tax and contingency planning, and compared against the applicable Budget, as approved and/or amended from time to time by the Board.

(m) "Bylaws" means the Company's Amended and Restated Bylaws as in effect on the Effective Date, as the same may be amended or restated from time to time.

(n) "Certificate of Incorporation" means the Company's Second Amended and Restated Certificate of Incorporation as in effect on the Effective Date, as the same may be amended or restated from time to time.

(o) "Common Stock" means the shares of common stock, par value $0.01 per share, of the Company, and any other capital stock of the Company into which such common stock is reclassified or reconstituted.

(p) "Company" has the meaning set forth in the Preamble.

(q) "Confidential Information" has the meaning set forth in Section 3.3(a)(i) hereof.

(r) "Control" (including its correlative meanings, "Controlled by" and "under common Control with") means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of ownership interests, by contract or otherwise)

of a Person.

(s) "Demand Notice" has the meaning set forth in Section 4.1(a)(i) hereof.

(t) "Director" means any director of the Company.

(u) "Effective Date" means the date on which the closing of the IPO occurs.

(v) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

(w) "FINRA" means the Financial Industry Regulatory Authority, Inc.

(x) "GAAP" means generally accepted accounting principles in the United States.

(y) "Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

(z) "IFRS" means the International Financial Report Standards issued by the IFRS Foundation and the International Accounting Standards in effect at the time to which the related reference to such principles pertains.

(aa) "IPO" has the meaning set forth in the Recitals.

(bb) "Law" means any statute, law, regulation, ordinance, rule, injunction, order, decree, governmental approval, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority and any rules and regulations of a Recognized Exchange.

(cc) "Maximum Designee Number" means (i) from the Effective Date until (but not including) the one-year anniversary of the Effective Date: the number equal to (x) the Total Number of Directors less (y) three (3); (ii) from and after the one-year anniversary of the Effective Date until (but not including) the first date on which Banpu beneficially owns, directly or indirectly, 50% or less of the voting power of all shares of the Company's capital stock entitled to vote generally in the election of directors: the number equal to (x) the Total Number of Directors less (y) four (4); and (iii) from and after the first date on which Banpu beneficially owns, directly or indirectly, 50% or less of the voting power of all shares of the Company's capital stock entitled to vote generally in the election of directors: the number equal to (x) the Total Number of Directors less (y) the minimum number of Directors that would constitute a majority of the Total Number of Directors.

(dd) "Original Stockholders' Agreement" has the meaning set forth in the Recitals.

(ee) "Party" or "Parties" has the meaning set forth in the Preamble.

(ff) "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, a cooperative, an unincorporated organization, or other form of business organization, whether or not regarded as a legal entity under applicable Law, or any Governmental Authority or any department, agency or political subdivision thereof.

(gg) "Recognized Exchange" means The New York Stock Exchange or the Nasdaq Capital Market.

(hh) "Registrable Securities" means shares of Common Stock held by Securityholder from time to time. For purposes of this Agreement, Registrable Securities shall cease to be Registrable Securities when (i) a registration statement covering resales of such Registrable Securities has been declared effective under the Securities Act by the SEC and such Registrable Securities have been disposed of pursuant to such effective registration statement, (ii) such Registrable Securities are eligible to be sold by Securityholder owning such Registrable Securities (including Registrable Securities deliverable to Securityholder under an effective Exchange Registration) pursuant to Rule 144 or 145 (or any similar provision then in effect) under the Securities Act, without any restriction or limitation thereunder on volume or manner of sale, or (iii) such Registrable Securities cease to be outstanding shares of Common Stock of the Company.

(ii) "Registration Expenses" means any and all expenses incurred in connection with the performance of or compliance with Article IV hereof, including:

(i) all SEC, stock exchange, or FINRA registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Rule 5121 of FINRA, and of its counsel);

(ii) all fees and expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities);

(iii) all printing, messenger and delivery expenses;

(iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or FINRA and all rating agency fees;

(v) the reasonable fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits and/or comfort letters required by or incident to such performance and compliance;

(vi) any fees and disbursements of underwriters customarily paid by the issuers or sellers of Securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any;

(vii) the reasonable fees and out-of-pocket expenses of not more than one (1) law firm incurred by Securityholder in connection with the registration;

(viii the costs and expenses of the Company relating to analyst and investor presentations or any "road show" undertaken in connection with the registration and/or marketing of the Registrable Securities (including the reasonable out-of-pocket expenses of Securityholder); and

(ix) any other fees and disbursements customarily paid by the issuers of Securities.

(jj) "SEC" means the Securities and Exchange Commission.

(kk) "Securities" means capital stock, limited partnership interests, limited liability company interests, beneficial interests, warrants, options, notes, bonds, debentures, and other securities, equity interests, ownership interests and similar obligations of every kind and nature of any Person.

(ll) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

(mm) "Securityholder" means Banpu.

(nn) "Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which: (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, representatives or trustees thereof is at the time owned or Controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; or (ii) if a limited liability company, partnership, association or other business entity, a majority of the total voting power of stock (or equivalent ownership interest) of the limited liability company, partnership, association or other business entity is at the time owned or Controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or Control the managing member, managing director or other governing body or general partner of such limited liability company, partnership, association or other business entity.

(oo) "Total Number of Directors" means the total number of directors comprising the Board, including any vacancies.

(pp) "WKSI" means a well-known seasoned issuer, as defined in Rule 405 under the Securities Act.

1.2 Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party. Unless the context otherwise requires: (a) "or" is disjunctive but not exclusive, (b) words in the singular include the plural, and in the plural include the singular, and (c) the words "hereof," "herein," and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

ARTICLE II
CORPORATE GOVERNANCE MATTERS

2.1 Election of Directors.

(a) Following the Effective Date, and for so long as Banpu beneficially owns, directly or indirectly, 10% or more of the voting power of all shares of the Company's capital stock entitled to vote generally in the election of directors, BNAC shall have the right (but not the obligation) pursuant to this Agreement to designate for nomination to the Board a number of individuals (each, a "Banpu Designee") equal to the number of Directors (all decimal numbers to be rounded up to the nearest whole number) determined by multiplying the Applicable Percentage to the Total Number of Directors; *provided, however*, that such number of individuals shall not exceed the Maximum Designee Number.

As of the Effective Date, the initial Banpu Designees shall be [ ]. BNAC shall give written notice to the Corporate Governance and Nominating Committee of the Board of each Banpu Designee no later than the date that is sixty (60) days prior to the first anniversary of the date that the Company's annual proxy for the prior year was first mailed to the Company's stockholders. For the avoidance of doubt, BNAC shall not have any rights to designate a Director pursuant to this Agreement from and after the first date on which Banpu beneficially owns, directly or indirectly, less than 10% of the voting power of all shares of the Company's capital stock entitled to vote generally in the election of directors.

(b) In the event that a vacancy is created or exists at any time by the death, disability, retirement or resignation of any Banpu Designee or as a result of BNAC not yet designating a person to fill such vacancy or Board seat, any individual nominated by or at the direction of the Board or any duly authorized committee thereof to fill such vacancy shall be, and the Company shall use its best efforts to cause such vacancy to be filled, as soon as possible, by a new designee of BNAC, and the Company shall take, to the fullest extent permitted by law, at any time and from time to time, all actions necessary to

accomplish the same, including by taking Board action to appoint such Banpu Designee to the Board to fill such vacancy.

(c) The Company and Banpu shall, to the fullest extent permitted by law, take all actions to cause the Board to include the Chief Executive Officer of the Company.

(d) The Company shall, to the fullest extent permitted by law, include in the slate of nominees recommended by the Board at any meeting of stockholders called for the purpose of electing directors, the persons designated pursuant to this Section 2.1 and use its best efforts to cause the election of each such designee to the Board, including nominating each such individual to be elected as a Director as provided herein, recommending such individual's election and soliciting proxies or consents in favor thereof.

(e) If at any time Banpu's beneficial ownership is reduced such that it would no longer be entitled pursuant to Section 2.1(a) hereof to designate for nomination to the Board the full number of individuals that constitute the Banpu Designees at such time, then it shall promptly (and in any event within two (2) Business Days) cause such number of Banpu Designees then serving as Directors on the Board to resign from the Board (such resigning Directors to be selected at BNAC's discretion, and to be replaced by nominees chosen by the remaining Directors in office) as is necessary so that the remaining number of Banpu Designees then serving on the Board is less than or equal to the number of Banpu Designees that BNAC is then entitled to designate for nomination pursuant to Section 2.1(a) hereof.

2.2 Chairman of the Board.

(a) For so long as Banpu beneficially owns at least 25% of the voting power of shares of the Company's capital stock entitled to vote generally in the election of directors, BNAC shall have the right (but not the obligation) pursuant to this Agreement to designate the Chairman of the Board from among the Banpu Designees.

(b) The individual designated as Chairman of the Board shall serve as such for a three-year term, or until such earlier time as such individual retires or is otherwise replaced by BNAC as Chairman.

(c) In the event that the Chairman of the Board ceases to hold office as a Director during his or her term as Chairman at a time when BNAC has the right pursuant to Section 2.2(a) hereof to designate the Chairman, BNAC shall have the right (but not the obligation) pursuant to this Agreement to designate a new Chairman of the Board from among the other Banpu Designees. Such new Chairman of the Board shall serve for the remainder of the term of the Chairman who ceased to hold office.

2.3 Amendment of Certificate of Incorporation and Bylaws. Neither the Certificate of Incorporation nor the Bylaws shall be amended in a manner inconsistent with the terms of this Agreement without the consent of BNAC.

2.4 Reimbursement of Expenses. The Company shall cause each Director to be promptly reimbursed for all reasonable and documented out-of-pocket costs and expenses incurred by him or her in connection with (a) attending meetings of the Board or any committee thereof and other meetings and events attended on behalf of the Company and (b) serving as a member of the Board.

2.5 Indemnification. Each Person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director or an officer of the Company or is or was serving at the request of the Company as a director, officer, or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, shall be indemnified and held harmless by the Company to the fullest extent permitted by the General Corporation Law of the State of Delaware as it now exists or may hereafter be amended, subject to the terms and conditions set forth in the Bylaws.

ARTICLE III
INFORMATION

3.1 Information.

(a) For so long as BNAC shall have the right pursuant to this Agreement to nominate to the Board at least one (1) Director, the Company shall prepare, or procure the preparation of, and shall submit to BNAC:

(i) the financial information set forth in Section 3.2 hereof; and

(ii) such information as BNAC may reasonably require relating to the business or financial condition of the Company or any of its Subsidiaries within a reasonable period.

(b) The Company shall not be required to disclose any privileged information of the Company so long as the Company has used commercially reasonable efforts to enter into an arrangement pursuant to which it may provide such information to BNAC without the loss of any such privilege. Further, BNAC may request that the Company not provide any of the information required pursuant to this Section 3.1 or Section 3.2 hereof if such information is reasonably expected to contain any material non-public information (within the meaning of U.S. federal securities laws).

(c) On or before September 15 of each fiscal year, the Company shall prepare and deliver to the Board a detailed draft of the Budget and Business Plan for the Company and its Subsidiaries (including the financial projection and estimated major items of revenue and capital expenditure) for the following fiscal year, broken down on a monthly basis, and an accompanying cash flow forecast, together with a balance sheet showing the projected position of the Company and its Subsidiaries as at the end of the following fiscal year. The Company shall use reasonable efforts to finalize such Budget and Business Plan for the following fiscal year on before November 15.

3.2 Certain Reports. For so long as Banpu beneficially owns at least 25% of the voting power of shares of the Company's capital stock entitled to vote generally in the election of directors, the Company shall deliver or cause to be delivered to BNAC:

(a) as soon as available, but in any event not later than twenty (20) days after the end of each of month, (i) the unaudited monthly consolidated financial statements of the Company for the month then ended, in each case, prepared in accordance with IFRS, (ii) a report of the Company's production by basin for such month then ended and (iii) the Company's safety report for the month then ended;

(b) as soon as available, but in any event not later than forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year, the unaudited quarterly consolidated financial statements of the Company for the fiscal quarter then ended, in each case, prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as available, but in any event not later than ninety (90) days after the end of each fiscal year, the audited consolidated financial statements of the Company for the fiscal year then ended, in each case, prepared in accordance with GAAP;

(d) as soon as available, but in any event not later than (i) forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year and (ii) ninety (90) days after the end of each fiscal year, the consolidated financial statements of the Company, in each case, prepared in accordance with IFRS, together with such other information as BNAC may request that is reasonably required by Banpu in order to prepare and present its consolidated financial statements in accordance with applicable Law and stock exchange requirements.

3.3 Disclosure of Information.

(a) Subject to Section 3.3(b) hereof, BNAC shall, and shall use all reasonable efforts to ensure that Banpu, its Affiliates and its and their respective representatives shall:

(i) hold in strict confidence and keep confidential the following (the "Confidential Information"):

(1) all communications between them and the Company or any of its Subsidiaries;

(2) all information and other materials that pertain to the Company's or any of its Subsidiaries' businesses which is not available to the public, whether written, oral, electronic, visual form or any other media, including, without limitation, such information that is proprietary or confidential or concerning the Company's or any of its Subsidiaries' ownership, operations or proposed operations, projects, strategies, business plans, actual or projected financial or operating data, contracts, books and records; and

(3) any information relating to this Agreement, the customers, business, assets or affairs of the Company and its Subsidiaries and all information concerning the business transactions and/or financial arrangements of the Company and its Subsidiaries that Banpu may have or acquire as a stockholder of the Company or through making appointments to the Board; and

(ii) (1) not use any Confidential Information for any purpose other than to evaluate and analyze the Company's and its Subsidiaries' assets and operations and its interest therein and (2) not disclose any Confidential Information to any Person (other than a Director or officer of the Company) without the consent of the Company.

(b) Section 3.3(a) hereof shall not prohibit disclosure or use of any information if and to the extent:

(i) the information is or becomes publicly available, other than by breach of this Agreement;

(ii) the Company has given prior written approval to the disclosure or use;

(iii) the Board has confirmed in writing that such information is not confidential;

(iv) Banpu is able to demonstrate to the Company that such information was independently developed, sourced or acquired by it or any of its Affiliates after the date of this Agreement without the use of any Confidential Information;

(v) the disclosure or use is required by Law, any governmental or regulatory body or any securities exchange on which the shares of Banpu or its Affiliates are listed; provided, that Banpu has provided the Company with prior notice and a reasonable opportunity to comment on such disclosure;

(vi) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of this Agreement or any documents to be entered pursuant to it;

(vii) the disclosure is reasonably made to a tax authority if and to the extent such disclosure is reasonably required for the purposes of the tax affairs of Banpu or its Affiliates; or

(viii) the disclosure of information by BNAC to Banpu or its or their respective representatives on a need to know basis and on terms that such Persons undertake to comply with the provisions of this Section 3.3 as if they were a party to this Agreement.

(c) Upon Banpu ceasing to be a stockholder of the Company, BNAC shall, and shall use all reasonable efforts to ensure that Banpu, its Affiliates and its and their respective representatives shall, promptly:

(i) return all written Confidential Information provided to it or its Affiliates or its or their respective representatives which is in such Person's possession or under its custody and control without keeping any copies thereof;

(ii) destroy all analyses, compilations, notes, studies, memoranda or other documents prepared by it or its Affiliates or its or their respective representatives to the extent that the same contain, reflect or derive from any Confidential Information relating to the Company or any of its Subsidiaries or their business; and

(iii) so far as it is practicable to do so (but, in any event, subject to continuing compliance with the duties of confidentiality contained in this Agreement), expunge any Confidential Information relating to the Company or any of its Subsidiaries or their business in its possession or under its custody and control from any computer, word processor or other device;

provided that (1) Banpu may retain (A) any Confidential Information relating to the Company or any of its Subsidiaries or their business as may be required by Law or contained or referred to in board minutes or in documents referred to therein and (B) any Confidential Information residing in its automatic data backup systems; and (2) Banpu's advisers may keep one (1) copy of any documents in their possession for record purposes, in each case subject to continuing compliance with the duties of confidentiality contained in this Agreement, notwithstanding any termination thereof.

(d) Subject to the foregoing provisions of this Section 3.3, no public disclosure or announcement of any kind regarding the Company shall be made by Banpu unless Banpu has notified the Company prior to any such disclosure or announcement, in which case Banpu shall take all reasonable steps to obtain the consent of the Company to the contents of such disclosure or announcement (such consent not to be unreasonably withheld or delayed).

(e) The obligations contained in this Section 3.3 shall last three (3) years after the termination of this Agreement pursuant to Section 5.1 hereof.

ARTICLE IV
REGISTRATION RIGHTS

4.1 Demand and Piggyback Rights.

(a) Right to Demand a Non-Shelf Registered Offering .

(i) Upon the written demand of Securityholder (a " Demand Notice") made at any time and from time to time following the date that is six (6) months after the consummation of the IPO, the Company will facilitate in the manner described in this Agreement a non-shelf registered offering of the Registrable Securities requested by Securityholder to be included in such offering; provided that the Company shall not be obligated to effect more than two (2) such offerings in any twelve (12) month period.

(ii) Any demanded non-shelf registered offering may, at the Company's option, include shares of Common Stock to be sold by the Company for its own account and will also include any other Registrable Securities to be sold by the holders of registration rights granted other than pursuant to this Agreement exercising such rights, to the extent exercising such rights on a timely basis. In order to be valid, the Demand Notice must provide the information described in Section 4.2(a) hereof (if applicable) and Section 4.3(e) hereof or be followed by such information, when requested as contemplated by Section 4.3(e) hereof.

(iii) Without limiting any other obligations of the Company hereunder, as soon as reasonably practicable, but in no event later than forty-five (45) days after receiving a valid Demand Notice satisfying the criteria set forth in Section 4.1(a) hereof, the Company shall file (or confidentially submit, at the Company's discretion) with the SEC a registration statement covering all of the Registrable Securities covered by such Demand Notice and any other registrable securities properly requested in accordance with other registration rights agreements with the Company, but subject in each case to any cutbacks imposed in accordance with Section 4.2(f) hereof and the limitations set forth in Section 4.1(e) hereof.

(b) Right to Piggyback on a Non-Shelf Registered Offering . In connection with any registered offering of shares of Common Stock covered by a non-shelf registration statement (including at the initiative of the Company), Securityholder may exercise piggyback rights to have included in such offering Registrable Securities held by it, subject to any cutbacks imposed in accordance with Section 4.2(f) hereof and the limitations set forth in Section 4.1(e) hereof. The Company will facilitate in the manner described in this Agreement any such non-shelf registered offering.

(c) Right to Demand and be Included in a Shelf Registration .

(i) Upon the delivery of a Demand Notice by Securityholder, provided at any time and from time to time when the Company is eligible to utilize Form S-3 or a successor form to sell shares of Common Stock in a secondary offering on a delayed or continuous basis in accordance with Rule 415 under the Securities Act, the Company will facilitate in the manner described in this Agreement a shelf registration of the Registrable Securities held by Securityholder requested by it to be included in such shelf. If, at the time of such request, the Company is eligible for WKSI status, such shelf registration shall, upon the approval of the Board, cover an unspecified number of Registrable Securities to be sold by the Company and Securityholder.

(ii) Without limiting any other obligations of the Company hereunder, as soon as reasonably practicable, but in no event later than forty-five (45) days after receiving a valid Demand Notice as set forth in Section 4.1(c)(i) hereof, the Company shall file (or confidentially submit, at the Company's discretion) with the SEC a shelf registration statement covering all of the Registrable Securities covered by such Demand Notice and any other registrable securities properly requested in accordance with other registration rights agreements with the Company, but subject in each case to any cutbacks imposed in accordance with Section 4.2(f) hereof and the limitations set forth in Section 4.1(e) hereof.

(d) Demand and Piggyback Rights for Shelf Takedowns.

(i) Upon the delivery of a Demand Notice by Securityholder, provided at any time and from time to time after a shelf registration statement has been declared effective by the SEC, the Company will facilitate in the manner described in this Agreement a "takedown" of Registrable Securities off of an effective shelf registration statement; provided that the Company shall not be obligated to effect (1) an underwritten shelf takedown unless such offering shall include securities with a total offering price (including piggyback securities and before deduction of underwriting discounts) reasonably expected to exceed, in the aggregate, $5,000,000 and (2) more than two (2) underwritten offerings demanded pursuant to this Section 4.1(d) or Section 4.1(a) hereof in any twelve (12) month period.

(ii) In connection with any underwritten shelf takedown (including at the initiative of the Company), Securityholder may exercise piggyback rights to have included in such takedown Registrable Securities held by it that are registered on such shelf.

(e) Limitations on Demand and Piggyback Rights.

(i) Any demand for the filing of a registration statement or for a registered offering or takedown, and the exercise of any piggyback registration rights, will be subject to the constraints of any applicable contractual lockup arrangements, and any such demand must be deferred until such lockup arrangements no longer apply. If a demand has been made for a non-shelf registered offering or for an underwritten takedown, no further demands may be made so long as the related offering is still being pursued. Notwithstanding anything in this Agreement to the contrary, Securityholder will not have piggyback or other registration rights with respect to the following registered primary offerings by the Company: (1) a registration relating solely to employee benefit plans; (2) a registration on Form S-4 or S-8 (or other similar successor forms then in effect under the Securities Act); (3) a registration pursuant to which the Company is offering to exchange its own Securities for other Securities; (4) a registration statement relating solely to dividend reinvestment or similar plans; (5) a shelf registration statement relating to debt securities of the Company or any Subsidiary that are convertible for common equity of the Company; or (6) a registration where the Registrable Securities are not being sold for cash.

(ii) The Company may postpone the filing of a demanded registration statement or suspend the effectiveness of any shelf registration statement for a reasonable "blackout period" not in excess of ninety (90) days if (1) the Company has initiated a registered offering of its securities and continues to actively employ, in good faith, all reasonable efforts to cause the applicable registration statement to become effective; (2) Securityholder has requested an underwritten offering and the Company and Securityholder are unable to obtain the commitment of underwriters to firmly underwrite the offer; or (3) the Board determines in good faith that such registration or offering could materially interfere with a *bona fide* business, acquisition or divestiture or financing transaction of the Company or is reasonably likely to require premature disclosure of information that the Company has a *bona fide* business purpose for not disclosing publicly; provided that the Company shall not delay the filing of any demanded registration statement more than one (1) time in any twelve (12) month period.

4.2 Notices, Cutbacks and Other Matters.

(a) Notifications Regarding Registration Statements. In order for Securityholder to exercise its right to demand that a registration statement be filed, it must include in its Demand Notice the number of Registrable Securities sought to be registered, the complete name of the selling Securityholder and the proposed plan of distribution.

(b) Notifications Regarding Registration Piggyback Rights.

(i) In the event that the Company files (or confidentially submits) a registration statement with respect to a non-shelf registered offering, the Company will promptly give to Securityholder a written notice thereof as soon as practicable, but in no event less than seven (7) Business Days before the anticipated filing (or confidential submission) date of such registration statement. If Securityholder wishes to exercise its piggyback rights with respect to any such non-shelf registration statement, it must notify the Company of the number of Registrable Securities it seeks to have included in such registration statement in a written notice given within five (5) Business Days after the date of the Company's notice.

(ii) In the event that the Company proposes to conduct an underwritten shelf takedown, the Company will promptly give to Securityholder a written notice thereof as soon as practicable, but in no event less than five (5) Business Days before the expected date of commencement of marketing efforts for such underwritten shelf takedown. If Securityholder wishes to exercise its piggyback rights with respect to any such underwritten shelf takedown, it must notify the Company of the number of Registrable Securities it seeks to have included in such takedown in a written notice given within two (2) Business Days after the date of the Company's notice.

(iii) Pending any required public disclosure and subject to applicable legal requirements, the Parties will maintain appropriate confidentiality of their discussions regarding a prospective registration and/or offering.

(c) Notifications Regarding Demanded Underwritten Takedowns.

(i) At any time and from time to time after a shelf registration statement has been declared effective by the SEC, if Securityholder wishes to exercise its demand with respect to any "takedown" of Registrable Securities off of such effective shelf registration statement, it must notify the Company of the number of Registrable Securities it seeks to have included in such registration statement in a written notice and the expected price range of such offering no later than 5:00 p.m., New York City time, on the second (2nd) Business Day prior to any public announcement of such anticipated

takedown.

(ii) Pending any required public disclosure and subject to applicable legal requirements, the Parties will maintain appropriate confidentiality of their discussions regarding a prospective takedown.

(d) Requirements for Participation in Underwritten Offerings .

(i) If Securityholder proposes to distribute its Registrable Securities through an underwritten offering, it shall enter into an underwriting agreement in customary form with the underwriters selected for such underwritten offering and the Company.

(ii) Subject to Section 4.2(e) hereof, Securityholder may not participate in any underwritten offering for equity securities of the Company pursuant to a registration initiated by the Company hereunder unless it (1) agrees to sell its securities on the basis provided in any underwriting arrangements approved by the Company and (2) completes and executes all customary questionnaires, powers of attorney, indemnities, lock-up agreements, underwriting agreements and other customary documents as may be reasonably required under the terms of such underwriting arrangements.

(e) Plan of Distribution, Underwriters, Advisors and Counsel . If a majority of the Registrable Securities proposed to be sold in an underwritten offering through a non-shelf registration statement or through a shelf takedown is being sold by the Company for its own account, the Company will be entitled to determine the plan of distribution and select the managing underwriters and any provider of advisory services for such offering. Otherwise, if Securityholder holds a majority of the shares of Common Stock requested to be included, it will be entitled to determine the plan of distribution and select the managing underwriters, provided that such investment banker or bankers and managers shall be reasonably satisfactory to the Company.

(f) Cutbacks. If the managing underwriters advise the Company and the selling Securityholder that, in their opinion, the number of Registrable Securities requested to be included in an underwritten offering exceeds the amount that can be sold in such offering without adversely affecting the distribution of the Registrable Securities being offered, the price that will be paid in such offering or the marketability thereof, such offering will include only the number of Registrable Securities that the underwriters advise can be sold in such offering. If the Company is selling Registrable Securities for its own account in such offering and the offering is not being made on account of a demand made by Securityholder pursuant to Section 4.1(a) hereof, the securities to be offered by the Company will have first priority. To the extent of any remaining capacity, and in all other cases, the selling Securityholder (and any other Persons having registration rights *pari passu* with Securityholder and participating in such offering) and the Company will be subject to cutback *pro rata* based on the number of Registrable Securities initially requested by them to be included in such offering, without distinguishing between Securityholder or other Persons exercising *pari passu* registration rights based on who made the demand for such offering or otherwise.

(g) Withdrawals. Even if Registrable Securities held by Securityholder have been part of a registered underwritten offering, Securityholder may, no later than the time at which the public offering price and underwriters' discount are determined with the managing underwriter, decline to sell all or any portion of the Registrable Securities being offered for its account. For the avoidance of doubt, a commenced offering under which a withdrawal has been made in accordance with this Section 4.2(g) shall not count against the maximum number of demanded offerings that Securityholder may make in any twelve (12) month period.

4.3 Facilitating Registrations and Offerings .

(a) General. If the Company becomes obligated under this Agreement to facilitate a registration and offering of Registrable Securities on behalf of Securityholder, the Company will do so with the same degree of care and dispatch as would reasonably be expected in the case of a registration and offering by the Company of Registrable Securities for its own account. Without limiting this general obligation, the Company will fulfill its specific obligations as described in this Section 4.3.

(b) Registration Statements. In connection with each registration statement that is demanded by Securityholder in accordance with this Agreement or as to which piggyback rights otherwise apply, the Company will:

(i) (1) prepare and file with the SEC a registration statement on an appropriate form covering the applicable Registrable Securities, (2) file amendments thereto as warranted, (3) seek the effectiveness thereof as promptly as reasonably practicable and (4) file with the SEC prospectuses, prospectus supplements and free writing prospectuses as may be required, all in consultation with Securityholder and as reasonably necessary in order to permit the offer and sale of such Registrable Securities in accordance with the applicable plan of distribution;

(ii) within a reasonable time prior to the filing of any registration statement, any prospectus, any amendment to a registration statement, amendment or supplement to a prospectus or any free writing prospectus (in each case including all exhibits filed therewith), provide copies of such documents to the selling Securityholder and to the underwriter or underwriters of an underwritten offering, if applicable, and to their respective counsel; fairly consider such reasonable changes in any such documents prior to or after the filing thereof as the counsel to Securityholder or the underwriter or the underwriters may request; and make such of the representatives of the Company as shall be reasonably requested by the selling Securityholder or any underwriter available for discussion of such documents;

(iii) use all reasonable efforts to cause each registration statement and the related prospectus and any amendment or supplement thereto, as of the effective date of such registration statement, amendment or supplement and during the distribution of the registered Registrable Securities (1) to comply in all material respects with the requirements of the Securities Act (including the rules and regulations promulgated thereunder) and (2) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the

statements therein not misleading; and

(iv) notify Securityholder promptly (1) when a registration statement has become effective and when any post-effective amendments and supplements thereto become effective if such registration statement or post-effective amendment is not automatically effective upon filing pursuant to Rule 462 under the Securities Act, (2) of the issuance by the SEC or any state securities authority of any stop order, injunction or other order or requirement suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (3) if, between the effective date of a registration statement and the closing of any sale of securities covered thereby pursuant to any agreement to which the Company is a party, the representations and warranties of the Company contained in such agreement cease to be true and correct in all material respects or if the Company receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, and (4) of the happening of any event during the period a registration statement is effective as a result of which such registration statement or the related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) Non-Shelf Registered Offerings and Shelf Takedowns . In connection with any non-shelf registered offering or shelf takedown that is demanded by Securityholder or as to which piggyback rights otherwise apply, the Company will:

(i) cooperate with the selling Securityholder and the sole underwriter or managing underwriter of an underwritten offering, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations (consistent with the provisions of the governing documents thereof) and registered in such names as the selling Securityholder or the sole underwriter or managing underwriter of an underwritten offering of Registrable Securities, if any, may reasonably request at least five (5) days prior to any sale of such Registrable Securities;

(ii) furnish to Securityholder and to each underwriter, if any, participating in the relevant offering, without charge, as many copies of the applicable prospectus, including each preliminary prospectus, and any amendment or supplement thereto and such other documents as Securityholder or such underwriter may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities; and the Company hereby consents to the use of the prospectus, including each preliminary prospectus, by Securityholder and such underwriter in connection with the offering and sale of the Registrable Securities covered by the prospectus or the preliminary prospectus;

(iii) (1) use all reasonable efforts to register or qualify the Registrable Securities being offered and sold, no later than the time the applicable registration statement becomes effective, under all applicable state securities or blue sky laws of such jurisdictions as each underwriter, if any, or Securityholder holding Registrable Securities covered by a registration statement, shall reasonably request; (2) use all reasonable efforts to keep each such registration or qualification effective during the period such registration statement is required to be kept effective; and (3) do any and all other acts and things which may be reasonably necessary or advisable to enable each such underwriter, if any, and Securityholder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by Securityholder; provided, however, that the Company shall not be obligated to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to consent to be subject to general service of process (other than service of process in connection with such registration or qualification or any sale of Registrable Securities in connection therewith) in any such jurisdiction;

(iv) cause all Registrable Securities being sold to be qualified for inclusion in or listed on any Recognized Exchange on which Registrable Securities issued by the Company are then so qualified or listed if so requested by Securityholder, or if so requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(v) cooperate and assist in any filings required to be made with FINRA and in the performance of any due diligence investigation by any underwriter in an underwritten offering;

(vi) use all reasonable efforts to facilitate the distribution and sale of any Registrable Securities to be offered pursuant to this Agreement, including without limitation by making “road show” presentations, holding meetings with and making calls to potential investors and taking such other actions as shall be requested by Securityholder or the lead managing underwriter of an underwritten offering; and

(vii) enter into customary agreements (including, in the case of an underwritten offering, underwriting agreements in customary form, and including provisions with respect to indemnification and contribution in customary form and consistent with the provisions relating to indemnification and contribution contained herein) and take all other customary and appropriate actions in order to expedite or facilitate the disposition of such Registrable Securities and in connection therewith:

(1) make such representations and warranties to the selling Securityholder and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings;

(2) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the lead managing underwriter, if any) addressed to the selling Securityholder and the underwriters, if any, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by Securityholder and such underwriters;

(3) obtain “comfort” letters and updates thereof from the Company’s independent certified public accountants and independent petroleum reserve engineers addressed to the selling Securityholder, if permissible, and the underwriters, if any, which letters shall be customary in form and shall cover matters of the type customarily covered in “comfort” letters to underwriters in connection with primary underwritten offerings; and

(4) to the extent requested and customary for the relevant transaction, enter into a Securities sales agreement with Securityholder providing for, among other things, the appointment of such representative as agent for the selling Securityholder for the purpose

of soliciting purchases of Registrable Securities, which agreement shall be customary in form, substance and scope and shall contain customary representations, warranties and covenants.

The above shall be done at such times as customarily occur in similar registered offerings or shelf takedowns.

(d) Due Diligence. In connection with each registration and offering of Registrable Securities to be sold by Securityholder, the Company will, in accordance with customary practice, make available for inspection by underwriters and any counsel or accountant retained by such underwriters all relevant financial and other records, pertinent corporate documents and properties of the Company and cause appropriate officers, managers, employees, outside counsel and accountants of the Company to supply all information reasonably requested by any such underwriter, counsel or accountant in connection with their due diligence exercise, including through in-person meetings, but subject to customary privilege constraints.

(e) Information from Securityholder. In connection with any registration or offering of Registrable Securities in which Securityholder is participating, Securityholder will furnish to the Company in writing such information regarding itself as is required to be included in, or is otherwise required by FINRA or the SEC in connection with, any registration statement, any prospectus or any amendment or supplement thereto, the ownership of Registrable Securities by Securityholder and the proposed distribution by Securityholder of such Registrable Securities, as well as any such additional information as the Company may from time to time reasonably request in writing in connection therewith.

(f) Expenses. All Registration Expenses incurred in connection with any registration statement or registered offering covering Registrable Securities held by Securityholder will be borne by the Company. However, (i) underwriters', brokers' and dealers' discounts and commissions applicable to Registrable Securities sold for the account of Securityholder and (ii) other than as set forth in the definition of "Registration Expenses," all reasonable fees and expenses of any legal counsel representing Securityholder will be borne by Securityholder.

4.4 Reporting Obligations. As long as Securityholder shall own Registrable Securities, the Company, at all times while it shall be a reporting company under the Exchange Act, covenants to file timely (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the Effective Date pursuant to Sections 13(a) or 15(d) of the Exchange Act. The Company further covenants that it shall take such further action as Securityholder may reasonably request, all to the extent required from time to time to enable Securityholder to sell shares of Common Stock held by it without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act (or any successor rule promulgated thereafter by the SEC), including providing any legal opinions that may be required by the Company's transfer agent or otherwise related to the transfer of Registrable Securities.

4.5 Indemnification.

(a) Indemnification by the Company. In the event of any registration under the Securities Act by any registration statement pursuant to rights granted in this Agreement of Registrable Securities held by Securityholder, the Company will indemnify and hold harmless Securityholder, its officers, directors, and each underwriter of such securities and each other Person, if any, who Controls Securityholder or such underwriter, against any losses, claims, damages or liabilities (including legal fees and costs of court), joint or several, to which such Person may become subject under the Securities Act or otherwise, to the extent arising out of or are based upon any untrue statement or alleged untrue statement of any material fact contained, on its effective date, in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, if used prior to the effective date of such registration statement, or in the final prospectus or in any amendment or supplement to any of the foregoing, or in any document incorporated by reference therein, or any issuer free writing prospectus (including any "road show," whether or not required to be filed with the SEC), or which arise out of or are based upon the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company shall not be liable to Securityholder or its underwriters or controlling Persons in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by Securityholder or such underwriter specifically for use in the preparation thereof.

(b) Indemnification by Securityholder. Securityholder, as a condition to including Registrable Securities in such registration statement, will indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 4.5(a) hereof) the Company, each director and officer of the Company and each underwriter of such securities and each other Person, if any, who Controls the Company or such underwriter (i) with respect to any statement or omission from such registration statement, or any amendment or supplement to it, if such statement or omission was made in reliance upon and in conformity with information furnished to the Company through a written instrument duly executed by Securityholder specifically regarding Securityholder for use in the preparation of such registration statement or amendment or supplement, or (ii) with respect to compliance by Securityholder with applicable Laws in effecting the sale or other disposition of the securities covered by such registration statement; provided, that the liability of Securityholder pursuant to this Section 4.5(b) shall not exceed the total price at which the securities were offered to the public by Securityholder.

(c) Indemnification Procedures. Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in Section 4.5(a) and Section 4.5(b) hereof, the indemnified party will, if a claim in respect thereof is to be made or may be made against an indemnifying party, give written notice to such indemnifying party of the commencement of the action. The failure of any indemnified party to give notice shall not relieve the indemnifying party of its obligations in this Section 4.5, except to the extent that the indemnifying party is actually prejudiced by the failure to give notice. If any such action is brought against an indemnified party, the indemnifying party will be entitled to participate in and to assume the defense of the action with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume defense of the action, the indemnifying party will not be liable to such indemnified party for any legal or other expenses incurred by the latter in connection with the action's defense other than reasonable costs of investigation. The indemnifying party shall, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, pay for the reasonable fees and expenses of one (but not

more than one) separate firm of attorneys for the indemnified party (in addition to all local counsel which is necessary, in the good faith opinion of both counsel for the indemnifying party and counsel for the indemnified party in order to adequately represent the indemnified parties), in addition to counsel for the indemnifying party. Whether or not a defense is assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent (not to be unreasonably withheld). No indemnifying party will consent to entry of any judgment or enter into any settlement which (1) does not include as an unconditional term the giving by the claimant or plaintiff, to the indemnified party, of a release from all liability in respect of such claim or litigation or (2) involves the imposition of equitable remedies or the imposition of any non-financial obligations on the indemnified party.

(d) Contribution. If the indemnification required by this Section 4.5 from the indemnifying party is unavailable to or insufficient to hold harmless an indemnified party in respect of any indemnifiable losses, claims, damages, liabilities, or expenses, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities, or expenses in such proportion as is appropriate to reflect (i) the relative benefit of the indemnifying and indemnified parties and (ii) if the allocation in clause (i) is not permitted by applicable Law, in such proportion as is appropriate to reflect the relative benefit referred to in clause (i) and also the relative fault of the indemnified and indemnifying parties, in connection with the actions which resulted in such losses, claims, damages, liabilities, or expenses, as well as any other relevant equitable considerations. The relative benefits received by a party shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by it bear to the total amounts (including, in the case of any underwriter, any underwriting commissions and discounts) received by each other party. The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or parties, and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damage, liabilities, and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding. The Company and Securityholder agree that it would not be just and equitable if contribution pursuant to this Section 4.5(d) were determined by *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the prior provisions of this Section 4.5(d).

Notwithstanding the provisions of this Section 4.5(d), no indemnifying party shall be required to contribute any amount in excess of the amount by which the total price at which the securities were offered to the public by such indemnifying party exceeds the amount of any damages which such indemnifying party has otherwise been required to pay by reason of an untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such a fraudulent misrepresentation.

ARTICLE V
GENERAL PROVISIONS

5.1 Termination. This Agreement shall terminate on the earlier to occur of (a) such time as BNAC is no longer entitled to designate a Director pursuant to Section 2.1(a) hereof (provided, however, that the provisions of Article IV hereof shall survive and continue in full force and effect until Securityholder no longer holds any Registrable Securities and in any case Section 4.5 shall survive and continue in full force and effect until the expiration of the applicable statute of limitations in respect of such matter); and (b) the delivery of a written notice by BNAC to the Company requesting that this Agreement terminate.

5.2 Notices. Any notice, designation, request, consent, demand and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by facsimile or electronic transmission, or sent by reputable overnight courier service (charges prepaid) to the Parties at the respective addresses set forth below and to any other recipient at the address indicated on the Company's records, or at such address or to the attention of such other Person as the recipient Party has specified by prior written notice to the sending Party. Any such notice, designation, request, consent, demand, other communication and other documents shall be deemed to have been given or made hereunder on the date of delivery, if delivered personally or by facsimile or electronic transmission, and one (1) Business Day after the date of deposit with a reputable overnight courier service, if delivered by reputable overnight courier service.

(a) If to the Company, to:

BKV Corporation
1200 17th Street, Suite 2100
Denver, Colorado 80202
Attention: Lindsay Larrick, Vice President and General Counsel
Facsimile: [***]
E-mail: [***]

with a copy (not constituting notice) to:

Baker Botts L.L.P.
2001 Ross Avenue, Suite 900
Dallas, Texas 75201
Attention: Samantha Crispin
Facsimile: [***]
E-mail: [***]

(b) If to BNAC or Banpu, to:

Banpu North America Corporation
[ ]
[ ]
Attention: [ ]
Facsimile: [***]

E-mail: [***]

with a copy (not constituting notice) to:

[ ]
[ ]
[ ]
Attention: [ ]
E-mail: [***]

5.3 **Amendment; Waiver**. This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by the Parties. Neither the failure nor delay on the part of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

5.4 **Further Assurances**. The Parties will sign such further documents, cause such meetings to be held, resolutions passed, exercise their votes and do and perform and cause to be done such further acts and things necessary, proper or advisable in order to give full effect to this Agreement and every provision hereof. To the fullest extent permitted by law, the Company shall not directly or indirectly take any action that is intended to, or would reasonably be expected to result in, Banpu being deprived of the rights contemplated by this Agreement.

5.5 **Assignment**. This Agreement will inure to the benefit of and be binding on the Parties and their respective successors and permitted assigns. This Agreement may not be assigned by a Party without the express prior written consent of the other Party, and any attempted assignment, without such consent, will be null and void; provided, however, that BNAC may assign this Agreement to Banpu Public Company Limited or any wholly owned subsidiary of Banpu Public Company Limited by giving prior written notice to, but without the express prior written consent of, the other Party.

5.6 **Third Parties**. This Agreement does not create any rights, claims or benefits inuring to any person that is not a Party nor create or establish any third-party beneficiary hereto.

5.7 **Governing Law**. This Agreement and all claims or disputes arising out of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof.

5.8 **Jurisdiction; Waiver of Jury Trial**. In any judicial proceeding involving any dispute, controversy or claim arising out of or relating to this Agreement, each of the Parties unconditionally accepts the jurisdiction and venue of the courts of the State of Delaware or if jurisdiction over the matter is vested exclusively in federal courts, the United States District Court for the District of Delaware, and the appellate courts to which orders and judgments thereof may be appealed. In any such judicial proceeding, the Parties agree that in addition to any method for the service of process permitted or required by such courts, to the fullest extent permitted by law, service of process may be made by delivery provided pursuant to the directions in Section 5.2 hereof. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

5.9 **Specific Performance**. Each Party acknowledges and agrees that in the event of any breach of this Agreement by any of them, the other Party would be irreparably harmed and could not be made whole by monetary damages. Each Party accordingly agrees to waive the defense in any action for specific performance that a remedy at law would be adequate and agrees that the Parties, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to specific performance of this Agreement without the posting of bond.

5.10 **Entire Agreement**. This Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof. There are no agreements, representations, warranties, covenants or understandings with respect to the subject matter hereof or thereof other than those expressly set forth herein and therein. This Agreement supersedes all other prior agreements and understandings between the Parties with respect to such subject matter.

5.11 **Severability**. If any provision of this Agreement, or the application of such provision to any Person or circumstance or in any jurisdiction, shall be held to be invalid or unenforceable to any extent, (a) the remainder of this Agreement shall not be affected thereby, and each other provision hereof shall be valid and enforceable to the fullest extent permitted by law, (b) as to such Person or circumstance or in such jurisdiction such provision shall be reformed to be valid and enforceable to the fullest extent permitted by law, and (c) the application of such provision to other Persons or circumstances or in other jurisdictions shall not be affected thereby.

5.12 **Table of Contents, Headings and Captions**. The table of contents, headings, subheadings and captions contained in this Agreement are included for convenience of reference only, and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

5.13 **Counterparts**. This Agreement and any amendment hereto may be signed in any number of separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one Agreement (or amendment, as applicable).

5.14 **Effectiveness**. This Agreement shall become effective upon the Effective Date.

5.15 **No Recourse**. This Agreement may only be enforced against, and any claims or cause of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement may only be made against the entities that are expressly identified as Parties and no past, present or future Affiliate, director, officer, employee, incorporator, member, manager, partner, stockholder, agent, attorney or representative of any Party shall have any liability for any obligations or liabilities of the Parties or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

COMPANY:

BKV CORPORATION

By: _____
Name:
Title:

Signature Page to Stockholders' Agreement

BANPU NORTH AMERICA CORPORATION

By: _____
Name:
Title:

Signature Page to Stockholders' Agreement

Exhibit 10.6

FORM OF AMENDED AND RESTATED TAX SHARING AGREEMENT

AMENDED AND RESTATED TAX SHARING AGREEMENT (this "Agreement"), made as of [], 2022, by and between (i)Banpu North America Corporation, a Delaware corporation ("BNAC"), and (ii) BKV Corporation, a Delaware corporation (" Banpu Sub").

WHEREAS, BNAC is the common parent of an affiliated group (within the meaning of Section1504 of the Internal Revenue Code of 1986, as amended (the "Code")) of corporations (collectively, the "Banpu Group") of which Banpu Sub is a member, and files a consolidated U.S. federal income tax return on the basis of a taxable year ending on December 31 on behalf of itself and members of the Banpu Group ("Consolidated Return").

WHEREAS, BNAC and Banpu Sub entered into that certain Tax Sharing Agreement, dated May 1, 2020 (the " Initial Tax Sharing Agreement "), to provide for payment by Banpu Sub to BNAC of the amounts payable by Banpu Sub in respect of U.S. federal income taxes and of certain state and local taxes, and for certain payments by BNAC to Banpu Sub, all as provided therein.

WHEREAS, BNAC and Banpu Sub desire to amend and restate the Initial Tax Sharing Agreement in its entirety, in accordance with the terms and conditions of this Agreement.

Accordingly, BNAC and Banpu Sub agree as follows:

1. Agreement to Join in and Preparation and Filing of Consolidated and Combined Returns .

1.1. Banpu Sub agrees to join with BNAC in any Consolidated Return for any taxable year for which BNAC properly elects to file a Consolidated Return that includes Banpu Sub. Banpu Sub also agrees, at the request of BNAC, to join BNAC or any direct or indirect subsidiary of BNAC in any state or local income or franchise tax return filed on a consolidated, combined, or unitary basis (a "Combined Return") for any taxable year for which BNAC properly elects to file a Combined Return that includes Banpu Sub.

1.2. Banpu Sub hereby irrevocably designates BNAC as its agent for the purpose of taking any and all actions necessary or incidental to the filing of each Consolidated Return and each Combined Return.

1.3. BNAC shall be responsible for the preparation and filing of the Consolidated Returns and Combined Returns required to be filed by the Banpu Group, subject to the following:

1.3.1. Subject to Section 1.3.2 and 1.3.3 below, decisions regarding (1) the manner in which such Consolidated Returns and Combined Returns are prepared and filed, including the methods, conventions, practices, principles, positions, and elections to be used and the manner in which any items of income, gain, loss, deduction, or credit ("Tax Items") shall be reported, (2)whether any extensions may be requested, (3)whether amended Consolidated Returns or Combined Returns shall be filed, (4)whether any claims for refund shall be made, (5)whether any tax overpayments shall be paid by way of refund or credited against any liability for the related tax and (6)the retention of outside firms to prepare or review such Consolidated Returns or Combined Returns, in each case, shall be made at BNAC's reasonable discretion and in a manner consistent with past practice.

1.3.2. The Tax Items included with respect to Banpu Sub and its subsidiaries (including any entity that is disregarded as separate from Banpu Sub or its corporate subsidiaries for U.S. federal income tax purposes or for purposes of any state or local tax law) (the "Company Group") in the Consolidated Returns and Combined Returns shall be consistent in all respects with the tax reporting information provided by Banpu Sub to BNAC pursuant to Section 2.1.

1.3.3. BNAC shall consult with Banpu Sub prior to changing any method of accounting or making any material election if such action would solely impact the Company Group.

1.3.4. BNAC shall provide Banpu Sub a copy of any Consolidated Return or Combined Return described under this Section 1.3 within ten (10) business days after filing such return.

1.4. Banpu Sub shall be responsible for the preparation and filing of any (i)U.S. state or local income or franchise tax return, other than a Combined Return, which is required to be filed by or with respect to Banpu Sub or any other member of the Company Group and (ii)U.S. federal income tax return of Banpu Sub or any other member of the Company Group for any tax period beginning on or after the date that Banpu Sub ceases to be a member of the Banpu Group (each, a "Banpu Sub-Filed Return"), subject to the following provisions:

1.4.1. Banpu Sub shall have the exclusive right, in its sole discretion, with respect to any Banpu Sub-Filed Return to determine (1)the manner in which such Banpu Sub-Filed Return shall be prepared and filed, including the methods, conventions, practices, principles, positions, and elections to be used and the manner in which any Tax Item shall be reported, (2)whether any extensions may be requested, (3)whether an amended Banpu Sub-Filed Return shall be filed, (4)whether any claims for refund shall be made, (5)whether any tax overpayments shall be paid by way of refund or credited against any liability for the related tax and (6) the retention of outside firms to prepare or review such Banpu Sub-Filed Returns.

1.4.2. With respect to any Banpu Sub-Filed Return, Banpu Sub may not take (and shall cause the other members of the Company Group not to take) any positions that it knows, or reasonably should know, are inconsistent with the methods, conventions, practices, principles, positions, or elections used by BNAC in preparing any Consolidated Return or Combined Return, except to the extent that (A)the failure to take such position would be contrary to applicable tax law or (B)taking such position would not reasonably be expected to materially adversely affect any member of the Banpu Group.

1.4.3. Banpu Sub shall provide BNAC a copy of any Banpu Sub-Filed Return within ten (10)business days after filing such return; *provided however*, that this Section 1.4.3 shall cease to apply on and after the time that BNAC ceases to own at least 25% of the voting power of shares of Banpu Sub's capital stock entitled to vote generally in the election of directors.

2. Determination and Payment of Tax Liability of the Company Group .

2.1. Preparation and Provision of Tax Reporting Information and Separate Return Tax Liability Calculations . Not less than twenty (20) business days prior to the due date (including extensions) for the filing of any Consolidated Return or Combined Return that includes Banpu Sub or any other members of the Company Group, Banpu Sub shall provide to BNAC (1)a pro forma draft of the portion of such Consolidated Return or Combined Return that reflects the Tax Items of the Company Group for the entire taxable year, (2)a spreadsheet or statement that sets forth in reasonable detail the computation of the Separate Return Tax Liability (as defined below) of the Company Group in respect of such Consolidated Return or Combined Return for the entire taxable year, (3)the amount payable by Banpu Sub or BNAC pursuant to Section 2.3 or Section 4, as determined in accordance with this Agreement and (4)such other reasonable information as is requested by BNAC. Not less than ten (10)business days prior to each estimated tax installment due date prescribed in Section6655(c)of the Code (an " Estimated Tax Installment Date"), Banpu Sub shall provide to BNAC a tax reporting package which includes the items described above for the period covered by such estimated tax installment (the "Estimated Tax Installment Period "). If BNAC disagrees with any Tax Item of the Company Group reflected on the pro forma draft of any Combined Return or Consolidated Return described in clause (1)above or the computations in clauses (2)or (3)above, then BNAC shall promptly notify Banpu Sub and the parties shall use their reasonable best efforts to resolve the dispute and, to the extent the parties are unable to resolve such dispute, the provisions of Section 7 shall apply.

2.2. Separate Return Tax Liability . For purposes of this Agreement, the "Separate Return Tax Liability" for a taxable year shall mean an amount equal to the U.S. federal income tax liability or state or local income or franchise tax liability, as the case may be, that would have been payable by the Company Group for such taxable year if the Company Group had filed a separate U.S. federal income tax return or state or local income or franchise tax return, as the case may be, for such taxable year and all prior taxable years (i.e., on a cumulative basis) for which this Agreement is or was in effect, subject to and except as set forth in the following provisions:

2.2.1. The Separate Return Tax Liability of the Company Group shall be computed by Banpu Sub using such methods, conventions, practices, principles, positions, and elections as are consistent with the methods, conventions, practices, principles, positions and elections that are used by BNAC in preparing the applicable Consolidated Return or Combined Return.

2.2.2. Any item of income or loss of a member of the Banpu Group that is treated as deferred on the Consolidated Return filed by BNAC (e.g., gain or loss on an intercompany transaction between members of the Banpu Group that is deferred pursuant to Section1.1502-13 or 1.1502-13T of the Treasury regulations) shall be taken into account in computing taxable income of the Banpu Group for purposes of this Agreement, but only at such time and in such amount as such item is actually taken into account and recognized on the Consolidated Return filed by BNAC.

2.2.3. The Separate Return Tax Liability with respect to a Combined Return filed in a state or locality shall be computed by taking into account such Tax Items, and such receipts or other data used to compute apportionment factors, of each Company Group member as are taken into account with respect to such Company Group member in preparing such Combined Return. Notwithstanding the foregoing, if no Company Group member has nexus to a particular state or locality for which a Combined Return is filed, then the Separate Return Tax Liability of the Company Group for such state or locality shall be deemed to be zero.

2.2.4. The computation of the Separate Return Tax Liability of the Company Group shall be determined without regard to whether the Banpu Group is obligated to pay a tax liability for the applicable taxable period.

2.2.5. Tax Items of the Company Group that are not utilized during the particular taxable period in which such items have accrued, and that could reduce a tax in another taxable period, including a net operating loss, net capital loss, disallowed business interest, foreign tax credit, charitable deduction, credit related to alternative minimum tax or any other tax credit (a "Tax Asset") generated by any member of the Company Group, generally shall be taken into account in determining the Separate Return Tax Liability in the taxable period(s)during which such Tax Assets of the Company Group are included in and used in the applicable Consolidated Return or Combined Return. Notwithstanding the foregoing, that portion of any such Tax Asset that has been taken into account in determining Tax Benefits (as defined below) for which Banpu Sub has received a payment under Section 4 shall not again be taken into account for purposes of reducing the Separate Return Tax Liability of the Company Group under this Section 2.2.5.

2.2.6. If the Separate Return Tax Liability of the Company Group for a taxable period is less than zero, then the Separate Return Tax Liability of the Company Group shall be deemed to be zero for such period for purposes of Section 2.3.

2.3. Payments of Separate Return Tax Liabilities .

2.3.1. No later than five (5)business days before the due date for the payment of the Banpu Group consolidated or combined tax liability with respect to a Consolidated Return or Combined Return for the entire taxable year, Banpu Sub shall pay to BNAC the excess (if any) of (i)the Separate Return Tax Liability of the Company Group for such taxable year determined with respect to such Consolidated Return or Combined Return, as the case may be, over (ii)such amounts (if any) previously paid by Banpu Sub to BNAC for such taxable year determined with respect to such Consolidated Return or Combined Return, as the case may be.

2.3.2. Payments made by Banpu Sub in accordance with this Section 2.3 and Section 3 shall be in lieu of any other payment by Banpu Sub on account of its share, if any, of the consolidated U.S. federal income tax liability of the Banpu Group due in respect of any Consolidated Return and the state or local income or franchise tax liability of the Banpu Group due in respect of any Combined Return for the relevant taxable year.

3. Adjustments. Any adjustment of income, deduction, or credit that results after the taxable year in question by reason of any carryback, amended return, claim for refund, audit, or resolution of any dispute between the parties by the Expert (as defined below) or otherwise, shall be given effect by redetermining amounts payable and reimbursable hereunder for such taxable year (and other taxable years, where appropriate) for which this Agreement is in effect as if such adjustment had been part of the original determination hereunder, with interest payable (by Banpu Sub or BNAC, as the case may be) in the amounts provided in Section6621 of the Code and penalties thereon payable only to the extent that penalties are actually paid by BNAC to any taxing authority with respect to such adjustment. Within ten (10)business days following any such adjustment, (i)Banpu Sub will provide BNAC a statement setting forth in reasonable detail the redetermined amounts payable and reimbursable hereunder; and (ii)the party responsible for such payment or reimbursement shall make such payment or reimbursement to the other party. If BNAC disagrees with the statement prepared by Banpu Sub under this Section 3, then BNAC shall promptly notify Banpu Sub and the parties shall use their reasonable best efforts to resolve the dispute and, to the extent the parties are unable to resolve such dispute, the provisions of Section 7 shall apply.

4. Payments for Tax Benefits of Banpu Sub . Within ten (10)business days of the filing of a Consolidated Return or Combined Return, (i)Banpu Sub shall provide to BNAC a statement setting forth in reasonable detail the amount equal to the reduction in the tax liability (or increase in tax refund) (the "Tax Benefit") (if any) that the Banpu Group recognized on such Consolidated Return or Combined Return as a result of the Separate Return Tax Liability of the Company Group being less than zero for such taxable period or otherwise as a result of the use by the Banpu Group of Tax Assets or other Tax Items of loss, deduction or credit of the Company Group; and (ii)BNAC shall pay such amount to Banpu Sub. For the avoidance of doubt, no Tax Asset or other Tax Item that has been taken into account in any taxable period for the Company Group's benefit in reducing the Separate Return Tax Liability otherwise determined and payable by Banpu Sub under Sections 2.2 and 2.3 shall again be taken into account for purposes of determining any amount payable under this Section 4.

5. Tax Audits, Examinations and Other Tax Proceedings .

5.1. Proceedings Relating to Consolidated or Combined Returns . Banpu Sub shall cooperate fully with BNAC in any audits, contests, or other administrative or judicial proceedings ("Tax Proceedings") relating to any Consolidated Return or Combined Return. Except as provided in the following sentence, BNAC generally shall have sole control (but acting reasonably and in good faith) over and discretion as to the undertaking, conduct, defense, settlement or other disposition of any such Tax Proceeding with respect to a Consolidated Return or Combined Return. With respect to any Tax Proceedings arising out of any Consolidated Return or Combined Return in which any Tax Item of the Company Group is a subject of such Tax Proceeding (a "Contested Company Group Item"), Banpu Sub shall be entitled to participate in such Tax Proceeding, and BNAC shall consult with Banpu Sub with respect to any Contested Company Group Item, shall act in good faith with a view to the merits in connection with such Tax Proceeding, shall keep Banpu Sub updated and informed with respect to such Contested Company Group Item and shall not settle or compromise any Contested Company Group Item without Banpu Sub's prior written consent, such consent not be unreasonably withheld or delayed.

5.2. Proceedings Relating to Banpu Sub-Filed Returns . BNAC shall cooperate fully with Banpu Sub in Tax Proceedings relating to any Banpu Sub-Filed Return. Banpu Sub shall have, in good faith, sole control over and discretion as to the undertaking, conduct, defense, settlement or other disposition of any such Tax Proceeding. With respect to any Tax Proceedings arising out of any Banpu Sub-Filed Returns in which any Tax Item of the Banpu Group is a subject of such Tax Proceeding (a "Contested Banpu Group Item"), BNAC shall be entitled to participate in such Tax Proceeding, and Banpu Sub shall consult with BNAC with respect to any Contested Banpu Group Item, shall act in good faith with a view to the merits in connection with such Tax Proceeding, shall keep BNAC updated and informed with respect to such Contested Banpu Group Item and shall not settle or compromise any Contested Banpu Group Item without BNAC's prior written consent, such consent not be unreasonably withheld or delayed.

5.3. Notice. If a party becomes aware of the existence of a tax issue that may give rise to a Tax Proceeding, such party shall give prompt notice to the other party of such issue (and such notice shall contain factual information, to the extent known, describing any asserted tax liability in reasonable detail), and shall promptly forward to the other party copies of all notices and material communications with any tax authority relating to such issue. Failure to give timely notice shall not affect the indemnities given hereunder except, and only to the extent that, the indemnifying party shall have been actually materially prejudiced as a result of such failure.

6. Tax Liability of Banpu Sub in the Event of Disaffiliation . This Section 6 sets forth how certain tax matters are to be handled in cases where a transaction or event occurs that causes Banpu Sub to no longer be eligible to join with BNAC in the filing of a Consolidated Return or Combined Return (a "Deconsolidation Event").

6.1. In General. In the case of a Deconsolidation Event, (i)Banpu Sub and the other members of the Company Group shall remain liable

under this Agreement for the Separate Return Tax Liability of the Company Group for the taxable period during which such Deconsolidation Event occurs and for prior taxable periods in which Banpu Sub was a member of the Banpu Group, and Banpu Sub shall be required to pay BNAC all amounts for such taxable periods that are determined pursuant to this Agreement and (ii)Banpu Sub shall remain entitled to receive, and BNAC shall remain liable to pay, any Tax Benefit, tax refund, or other amounts payable to Banpu Sub under this Agreement that relate to any taxable period beginning on or before the date of a Deconsolidation Event (a "Pre-Deconsolidation Period"). Moreover, should a Tax Proceeding ultimately result in assessment of a tax deficiency (or payment of a tax refund) against any Banpu Group member for years in which Banpu Sub or the other members of the Company Group were part of the Banpu Group, Banpu Sub shall remain liable for the Company Group's portion of such tax deficiency (or remain entitled to receive the Company Group's portion of such tax refund) determined pursuant to Section 2.2, Section 3, and Section 4 of this Agreement, plus related interest and penalties, if any.

6.2. Allocation of Tax Items. In the case of a Deconsolidation Event, all tax computations for (i)any Pre-Deconsolidation Periods ending on the date of the Deconsolidation Event and (ii)the immediately following taxable period of Banpu Sub or any disaffiliated members of the Company Group, shall be made pursuant to the principles of Section1.1502-76(b)of the Treasury Regulations or any similar provision of federal, state or local tax law, as agreed to by BNAC and Banpu Sub.

6.3. Allocation of Tax Assets. In the case of a Deconsolidation Event, Banpu Sub and BNAC shall cooperate in determining the allocation of any Tax Assets among BNAC and Banpu Sub. The parties hereby agree that in the absence of controlling legal authority or unless otherwise provided under this Agreement, Tax Assets shall be allocated to (i)the party that generated such Tax Asset or (ii)in cases where it is unclear which party generated the Tax Asset, to the party required to bear the liability for the tax associated with such Tax Asset.

6.4. Carrybacks. In the case of a Deconsolidation Event, BNAC agrees to pay to Banpu Sub the Tax Benefit from the recognition by BNAC on a Consolidated Return or Combined Return for any Pre-Deconsolidation Period of a carryback of any Tax Asset of the Company Group from taxable period beginning after the date of a Deconsolidation Event (except to the extent that such carryback of any Tax Asset increases any Taxes, or reduces any Tax Benefit, attributable to the Banpu Group for any reason); *provided, however*, that no payment shall be required to be made with respect to any Tax Benefit recognized by BNAC with respect to any Tax Asset that has previously been taken into account in any taxable period for the Company Group's benefit to reduce the Separate Return Tax Liability determined and payable under Sections 2.2 and 2.3 or to determine any amount payable to Banpu Sub under Section 4. If subsequent to the payment by BNAC to Banpu Sub for any such Tax Benefit, there shall be a redetermination which results in a decrease (1)to the amount of the Tax Asset so carried back or (2)to the amount of such Tax Benefit, Banpu Sub shall repay to BNAC any amount paid to Banpu Sub pursuant to this Section 6.4 which would not have been payable to Banpu Sub pursuant to this Section 6.4 had the amount of the Tax Benefit been determined in light of these events, plus any related interest and penalties. Nothing in this Section 6.4 shall require BNAC to file an amended tax return or claim for refund of taxes.

6.5. Continuing Covenants. Each of BNAC and Banpu Sub (for itself and each member of the Company Group) agrees (i)not to take any action reasonably expected to result in an increased tax liability to the other, a reduction in a Tax Asset of the other or an increased liability to the other under this Agreement, and (ii)to take any action reasonably requested by the other that would reasonably be expected to result in a Tax Benefit; provided, in either such case, that the taking or refraining to take such action does not result in any additional cost not fully compensated for by the other party or any other adverse effect to such party. The parties hereby acknowledge that the preceding sentence is not intended to limit, and therefore shall not apply to, the rights of the parties with respect to matters otherwise covered by this Agreement.

7. Disputes. In the event of a disagreement that BNAC and Banpu Sub are unable to resolve with respect to any determination required to be made pursuant to this Agreement (a "Reconciliation Dispute"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the "Expert") in the particular area of disagreement mutually acceptable to both parties. The Expert shall be a partner or principal in a nationally recognized accounting firm, and unless BNAC and Banpu Sub agree otherwise, the Expert shall not have any material relationship with BNAC or Banpu Sub, or other actual or potential conflict of interest. The costs and expenses relating to the engagement of such Expert shall be borne equally by BNAC and Banpu Sub, except that if the Expert determines that the proposed position submitted by a party to the Expert for its determination is frivolous, has not been asserted in good faith, or is not supported by substantial authority, then 100% of such costs, fees, and expenses shall be borne by such party. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7 shall be final and binding on BNAC and Banpu Sub and may be entered and enforced in any court having competent jurisdiction.

8. Treatment of Payments. The parties agree that any payments made by one party to another party pursuant to this Agreement shall be treated in accordance with the principles of Section1.1502-32(b)(3)(iv)(D)of the Treasury Regulations or any similar provision of federal, state or local tax law, as reasonably determined by Banpu Sub, and accordingly are generally not includible in the taxable income of the recipient or as deductible by the payor.

9. Indemnification. BNAC agrees to indemnify and hold harmless Banpu Sub and each other member of the Company Group against and from any claims of liability for (a)all U.S. federal income tax with respect to any Consolidated Returns, interest thereon, and penalties with respect thereto asserted by the Service, (b) all state or local income or franchise tax with respect to any Combined Returns, interest thereon, and penalties with respect thereto asserted by any state taxing authority, (c)any taxes imposed on any member of the Company Group pursuant to Treasury Regulation Section1.1502-6 or any analogous provision of state or local tax law and (d)any other income taxes which a member of the Banpu Group (other than Banpu Sub or other members of the Company Group) is required to pay to any taxing authority, provided in each case that Banpu Sub has made the payments required to be made by Banpu Sub in respect of the applicable liability to BNAC pursuant to the applicable provisions of this Agreement. Each party agrees to indemnify the other party for taxes and losses arising out of or based upon (i)any breach or nonperformance of any covenant or agreement made or to be performed by such party contained in this Agreement; or (ii) supplying the other party with inaccurate or incomplete information, in connection with the preparation of any tax return.

10. Cooperation. The parties shall cooperate with one another in all matters relating to taxes (and each shall cause its respective affiliates to so cooperate). Banpu Sub shall provide BNAC, and BNAC shall provide Banpu Sub, with such cooperation and information as is necessary in order to enable BNAC and Banpu Sub to satisfy their respective tax and accounting obligations. Unless otherwise provided under this Agreement, such cooperation and

information shall include (i)making the parties' respective knowledgeable employees available during normal business hours, (ii)providing the information required by reasonable tax and accounting questionnaires from the other party (at the times and in the format as reasonably required by such other party), (iii)maintaining such books and records and providing such information as may be necessary or reasonably useful in the filing of Consolidated Returns, Combined Returns and Banpu Sub-Filed Returns, (iv)executing such documents as may be necessary or reasonably useful in connection with any Tax Proceeding, the filing of Consolidated Returns, Combined Returns and Banpu Sub-Filed Returns, or the filing of refund claims by a member of the Banpu Group or Company Group (including certification, to the best of a party's knowledge, of the accuracy and completeness of the information it has supplied), (v)Banpu Sub providing BNAC with such documentation as may be requested by BNAC or its parent company in order to enable BNAC, BNAC's parent company and its subsidiaries to satisfy the requirements for tax declarations or available tax exemptions under the applicable Revenue Laws (whether currently in effect or issued and implemented in the future) and (vi) taking any actions which the other party may reasonably request in connection with the foregoing matters.

11. Legal and Accounting Fees. Unless otherwise specified herein, any fees or expenses (including internal expenses) for legal, accounting or other professional services rendered in connection with tax research relating to the Company Group, the preparation of a Consolidated Return or a Combined Return or any statement relating to any Separate Return Tax Liability or other calculations under this Agreement or the conduct of any Tax Proceeding shall be allocated between BNAC and Banpu Sub in a manner resulting in BNAC and Banpu Sub, respectively, bearing a reasonable approximation of the actual amount of such fees or expenses hereunder reasonably related to, and for the benefit of, each party. Banpu Sub shall pay BNAC for any fees and expenses allocated to Banpu Sub pursuant to this Section 11 within five (5) business days after the date Banpu Sub receives notice from BNAC requesting such payment.

12. Effective Date and Termination.

12.1. This Agreement shall be effective as of the date first written above.

12.2. This Agreement shall terminate at such time as all obligations and liabilities of the parties hereto have been satisfied. The obligations and liabilities of the parties arising under this Agreement shall continue in full force and effect until all such obligations have been met and such liabilities have been paid in full, whether by expiration of time, operation of law, or otherwise. The obligations and liabilities of each party are made for the benefit of, and shall be enforceable by, the other parties and their successors and permitted assigns.

13. Captions. All Section captions contained in this Agreement are for convenience only and shall not be deemed a part of the Agreement.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one Agreement.

15. Amendment: Waiver. This Agreement may be amended, modified, superseded, cancelled or extended, and the provisions hereof may be waived, only by a written instrument signed by BNAC and Banpu Sub or, in the case of a waiver, either of them who is the party waiving compliance.

16. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, without regard to the conflict of laws rules thereof.

17. Successors and Assigns. Neither BNAC nor Banpu Sub may assign, novate or otherwise transfer its rights, obligations or rights and obligations under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon, and shall inure to all the benefits of, the parties hereto and their respective successors and permitted assigns.

18. No Third-Party Beneficiaries. Nothing in this Agreement is intended to or shall confer any rights or benefits upon any person other than the parties hereto.

19. Notices. Any notice or other communication required or permitted hereunder shall be in English and in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or overnight express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed by overnight mail, the day after the date of deposit with a reputable courier service, or if mailed by non-overnight certified or registered mail, five days after the date of deposit in the United States mails, as follows:

19.1. if to BNAC:

Banpu North America Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
E-mail: [***]
Attention: Mr. Thiti Mekavichai, Director

19.2. if to Banpu Sub:

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
E-mail: [***]
Attention: Lindsay Larrick, Vice President and General Counsel

Any party may by notice given in accordance with this Section 19 to the other parties designate another address or person for receipt of notices hereunder.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers as of the date set forth above.

BANPU NORTH AMERICA CORPORATION

By: _____
Name:
Title:

BKV CORPORATION

By: _____
Name:
Title:

Signature Page to Amended and Restated Tax Sharing Agreement

Exhibit 10.7

Portions of this document have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential. Redacted portions are indicated with the notation "[***]".

BKV CORPORATION
2021 LONG TERM INCENTIVE PLAN
ADOPTED JANUARY 1, 2021

1. Purpose of Plan.

The purpose of the BKV Corporation 2021 Long Term Incentive Plan (the "**Plan**") is to advance the interests of BKV Corporation, a Delaware corporation (the "**Company**"), and its stockholders by enabling the Company and its Subsidiaries to attract and retain persons of ability to perform services for the Company and its Subsidiaries by providing an incentive to such individuals through opportunities for equity participation in the Company and by rewarding such individuals who contribute to the achievement by the Company of its economic objectives. This Plan and the terms set forth herein shall be subject to the criteria set forth on **Appendix 3** attached hereto, which sets forth the parameters to which this Plan and each Incentive Award hereunder remain subject in accordance with the approval of the Plan by the Board.

2. Definitions.

The following terms will have the meanings set forth below, unless the context clearly otherwise requires. Terms defined elsewhere in the Plan will have the same meaning throughout the Plan.

2.1 "Adverse Action" means any Participant, during or within one year after the termination of Service, (a) being employed or retained by or rendering services to any organization that, directly or indirectly, competes with or becomes competitive with the Company or any Subsidiary, or rendering such services that are prejudicial or in conflict with the interests of the Company or any Subsidiary, or otherwise violating any non-compete or non-solicitation agreement with the Company or any Subsidiary, (b) violating any confidentiality agreement or agreement governing the ownership or assignment of intellectual property rights of the Company or any Subsidiary, or (c) engaging in any other conduct or act determined to be injurious, detrimental or prejudicial to any interest of the Company or any Subsidiary.

2.2 "Base Price" means the initial price per share of the Company's Common Stock and is set at a constant $10.00 per share.

2.3 "BNAC" means BANPU North America Corporation, a Delaware corporation.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Broad Parameters" mean a broad parameter for compensation for the Employees (excluding the CEO and the Senior Management) who have been approved by the Board from time to time and reflected in the Budget which broad parameters are set forth on **Appendix 2** attached hereto.

2.6 "Budget" means the annual budget of the Company and its subsidiaries as approved and/or amended from time to time by the Board.

2.7 "Cause" means "cause" as defined in any employment or other agreement or policy applicable to the Participant's Service, or if no such agreement or policy exists, and will mean (a) dishonesty, fraud, misrepresentation, embezzlement, breach of fiduciary duty or deliberate injury or attempted injury, in each case relating to the Company or any Subsidiaries, (b) any unlawful or criminal activity of a serious nature or act of moral turpitude, in each case relating to the Company or any Subsidiaries, or (c) persistent failure to perform his or her duties in accordance with his or her employment agreement or service contract with the Company or any Subsidiaries or to comply with the established work rules or internal policies of the Company or any Subsidiaries that has an adverse effect on the Company or any Subsidiaries following notice and an opportunity to cure; provided, however, that if there is a separate written agreement between the Participant and the Company or any Subsidiary that defines "cause", such agreement shall control in the event of an inconsistency with the definition in this Section 2.7.

2.8 "CEO" means the chief executive officer of the Company from time to time.

2.9 "Change in Control" means an event described in Section 9.1(c).

2.10 "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code in the Plan will be deemed to include a reference to any applicable rules and regulations thereunder and any successor or amended section of the Code.

2.11 "Committee" means the group of individuals administering the Plan, as provided in Section 3.1.

2.12 "Common Stock" means the common stock of the Company, par value $0.01 per share, or the number and kind of shares of stock or other securities in accordance with Section 4.1.

2.13 "Director" means a member of the Board.

2.14 "Disability" means the disability of the Participant such as would entitle the Participant to receive disability income benefits pursuant to a long-term disability plan of the Company or Subsidiary then covering the Participant or, if no such plan exists or is applicable to the Participant, the permanent and total disability of the Participant within the meaning of Section 22(e)(3) of the Code.

2.15 "Effective Date" has the meaning given it in Section 14.

2.16 "Eligible Recipients" means (a) an Employee and (b) Director of the Company or any Subsidiary.

2.17 "Employee" means any person treated as an employee in the records of the Company or any Subsidiary. The Committee will determine in good faith and in the exercise of its sole discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Committee's determination of whether or not the individual is an Employee, all such determinations by the Committee will be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

2.18 "Exchange Act" means the Securities Exchange Act of 1934, as amended. Any reference to a section of the Exchange Act in the Plan will be deemed to include a reference to any applicable rules and regulations thereunder.

2.19 "Fair Market Value" means, with respect to the Common Stock, as of any date: (a) the closing sale price of the Common Stock as of such date at the end of the regular trading session, as reported on any national securities exchange on which the Common Stock is then listed (or, if no shares were traded on such date, as of the next preceding date on which there was such a trade); or (b) if the Common Stock is not so listed as described in above, the price, on a per share of the Common Stock basis, at which a willing seller would sell, and a willing buyer would buy, the Common Stock having full knowledge of all relevant facts, in an arm's length transaction without taking into account the minority ownership interest of any shares of the Common Stock and the rights associated with any minority ownership interest hereunder. For all purposes under this Plan (including as to taxation), the fair market value of the Common Stock as described in (b) above shall be determined each Financial Year by the Committee using the independent and impartial valuation of the Common Stock performed by Guggenheim Securities, LLC, provided its fees are at competitive market rates and, if not at competitive market rates (as determined by the Board based upon evidence of fees charged by other United States investment banking firms for the same services) by another independent and impartial appraiser approved by the Board. Such determination will apply such Financial Year or until a new determination of the Fair Market Value is made. For the avoidance of doubt, during the period as from the adopted date hereof that the Company does not have a Fair Market Value determination as described in subpart (b) above, the Fair Market Value shall be $10.00 per share of Common Stock and will apply until the valuation is performed for the Committee's first determination of the Fair Market Value.

2.20 "Financial Year" means a financial or fiscal year of the Company.

2.21 "Founding Stockholder" means an Eligible Recipient who is a party to the Stockholders' Agreement.

2.22 "Incentive Award" or "Award" means an annual award of TRSUs and PRSUs granted to an Eligible Recipient pursuant to the Plan.

2.23 "Incentive Award Agreement" means a written or electronic agreement between the Company and a Participant setting forth the individual grant of the Incentive Award of TRSUs and/or PRSUs granted to such Participant and the terms, conditions and restrictions applicable to such Award.

2.24 "Initial Public Offering" or "IPO" means the admission of all or any part of the Common Stock or depository receipts (or the equivalent) representing the Common Stock of the Company to a United States securities exchange.

2.25 "IPO Average Trading Price" means the arithmetic average closing price in dollars per share of the Company's Common Stock over a period of 30 trading days, immediately subsequent to an IPO.

2.26 "IPO Issuance Price" means the stated price in dollars per share, at which the Company issues its shares of Common Stock to new investors in advance of and during an IPO.

2.27 "Minimum Target IPO Price" means the minimum price at which the Company targets an IPO Issuance Price, and shall be initially set at $12.00 per share; provided, the Board will have the ultimate decision as to approval of the IPO Issuance Price.

2.28 "Participant" means an Eligible Recipient who receives any Incentive Awards under the Plan.

2.29 "Performance-based Restricted Stock Units" or "PRSUs" means Restricted Stock Units granted to an Eligible Recipient pursuant to Section 6.2 and subject to a PRSU Vesting Schedule.

2.30 "Previously Acquired Shares" means shares of Common Stock that are already owned by the Participant or, with respect to any Incentive Award, that are to be issued to the Participant upon the grant, exercise, vesting or settlement of such Incentive Award.

2.31 "PRSU KPIs" means key performance goals and indicators of the Company for a performance period as set forth in **Appendix 1** attached to this Plan, or any subsequent Appendix approved and adopted by the Board.

2.32 "PRSU Vesting Schedule" means the vesting of PRSUs based on the level of achievement of PRSU KPIs for the Plan's performance period, as approved by the Board and set forth in **Appendix 1** attached to this Plan, or any subsequent Appendix approved and adopted by the Board, and included in the Incentive Award Agreement. The performance period will begin on the Effective Date and end on the earlier of December 31, 2023, the date of an IPO, or the date of a Change in Control (each a "**PRSU Vesting Date**").

2.33 "Restricted Stock Unit" means an Incentive Award denominated in shares of Common Stock and granted to an Eligible Recipient pursuant to Section 6.

2.34 "Securities Act" means the Securities Act of 1933, as amended. Any reference to a section of the Securities Act in the Plan will be deemed to include a reference to any applicable rules and regulations thereunder.

2.35 "Senior Management" means, in addition to the CEO, the four (4) employees of the Company reasonably likely to receive the highest compensation during the next Financial Year (excluding the compensation of the CEO) and/or any employee recommended by the CEO and approved by the Board in accordance with Section 15.3.2 of the Stockholders' Agreement.

2.36 "Service" means a Participant's employment with the Company or any Subsidiary, whether in the capacity of an Employee or a Director. A change in the capacity in which the Participant renders service to the Company or a Subsidiary as an Employee, Director, or Third Party Service Provider, shall be treated as a termination of the Participant's Service, unless the Committee otherwise determines in its sole discretion. A Participant's Service will be deemed to have terminated either upon an actual termination of Service or upon the Subsidiary for which the Participant performs Service ceasing to be a Subsidiary of the Company (unless the Participant continues in the Service of the Company or another Subsidiary). Subject to the foregoing, the Committee, in its sole discretion, will have the authority to determine whether the Participant's Service has terminated and the effective date of and reason for such termination.

2.37 "Stockholders' Agreement" means that certain Stockholders' Agreement dated May 1, 2020, entered into by and among BNAC, the Company and Founding Stockholders as listed therein as parties thereto.

2.38 "Subsidiary" means any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant equity interest, as determined by the Committee, provided the Company has a "controlling interest" in the Subsidiary as defined in Treas. Reg. Sec. 1.409A-1(b)(5)(iii)(E)(1).

2.39 "Tax Date" means the date any withholding tax obligation arises under the Code or other applicable tax statute for a Participant with respect to an Incentive Award.

2.40 Third-Party Service Provider" means any consultant, agent, advisor or independent contractor who renders services to the Company or a Subsidiary that: (a) are not in connection with the offer and sale of the Company's securities in a capital raising transaction, and (b) do not directly or indirectly promote or maintain a market for the Company's securities.

2.41 "Time Restricted Stock Units" or "TRSUs" means the Restricted Stock Units granted to an Eligible Recipient under Section 6.3 and subject to a TRSU Vesting Schedule.

2.42 "TRSU Vesting Schedule" means the vesting period for TRSUs issued under Section 5.1 and Section 6.3, which, unless provided otherwise in an Incentive Award Agreement, is as follows: one-fourth (25%) of the TRSUs will vest immediately upon the issuance of the TRSUs and the remaining TRSUs will vest in equal percentages over the next three consecutive years (*i.e.*, 25% of the total TRSUs vesting in whole units on each annual anniversary of the issuance of the TRSU) (each a "**TRSU Vesting Date**").

3. Plan Administration.

3.1 The Committee. The Plan will be administered by the Compensation Committee of the Board and subject to the Board's approval, or the Board if such Compensation Committee is dissolved. Such a committee will act by simple majority approval of the members (but may also take action by the written consent of a majority of the members of such committee), and any simple majority of the members of such a committee will constitute a quorum. As used in the Plan, "**Committee**" will refer to the Compensation Committee of the Board, or the Board if such Compensation Committee is dissolved. To the extent consistent with the applicable corporate law of the Company's jurisdiction of incorporation, the Committee may delegate to any officers of the Company the duties, power and authority of the Committee under the Plan pursuant to such conditions or limitations as the Committee may establish. The Committee may exercise its duties, power and authority under the Plan in its sole and absolute discretion without the consent of any the Participant, the Eligible Recipients, or other party, unless the Plan specifically provides otherwise. The Committee will not be obligated to treat Participants or Eligible Recipients uniformly, and determinations made under the Plan may be made by the Committee selectively among Participants or Eligible Recipients, whether or not such Participants and Eligible Recipients are similarly situated. Each determination, interpretation or other action made or taken by the Committee pursuant to the provisions of the Plan will be final, conclusive and binding for all purposes and on all persons, including the Company, the stockholders of the Company, the Participants, the Eligible Recipients and their respective heirs and other successors-in-interest. No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Incentive Award granted under the Plan, including any determination regarding current values of the Common Stock that is made in good faith.

3.2 Authority of the Committee.

(a) In accordance with and subject to the provisions of the Plan and the Broad Parameters, the Committee will have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as consistent with the terms of the Plan, including the following: (i) the Eligible Recipients to be selected as Participants; (ii) the nature and extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, the manner in which Incentive Awards will vest and whether Incentive Awards will be granted in tandem with other Incentive Awards) and the form of Incentive Award Agreement evidencing such Incentive Award; (iii) the time or times when Incentive Awards will be granted; (iv) the duration of each Incentive Award; and (v) the restrictions and other conditions to

which the payment or vesting of Incentive Awards may be subject. In addition, the Committee will have the authority under the Plan in its sole discretion to pay the economic value of any Incentive Award in the form of Common Stock.

(b) Subject to the Broad Parameters, the Committee will have the authority under the Plan to amend or modify for any reason the terms of any outstanding Incentive Award that has already been granted to a Participant in any manner, including but not limited to, the authority to modify the number of shares or other terms and conditions of an Incentive Award, accelerate the vesting or otherwise terminate any restrictions relating to an Incentive Award, accept the surrender of any outstanding Incentive Award or, to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards; provided, however that the amended or modified terms are permitted by the Plan as then in effect, such amendment does not cause the Incentive Award to become taxable under Section 409A of the Code, and any Participant adversely affected by such amended or modified terms has consented to such amendment or modification, except for an amendment or modification pursuant to this Section 3.2(b), Section 3.2(c), Section 3.2(d), Section 6.2(f) or Section 6.3(e). No amendment or modification to an Incentive Award, however, whether pursuant to this Section 3.2 or any other provisions of the Plan, will be deemed to be a re-grant of such Incentive Award for purposes of the Plan.

(c) Subject to the Broad Parameters, in the event of (i) any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, extraordinary dividend or divestiture (including a spin-off) or any other similar change in corporate structure or shares; (ii) any purchase, acquisition, sale, disposition or write-down of a significant amount of assets or a significant business; (iii) any change in accounting principles or practices, tax laws or other such laws or provisions affecting reported results; (iv) any uninsured catastrophic losses or extraordinary non-recurring items as described in Accounting Standards Codification 225-20; (v) IPO or (vi) any other similar change, in each case with respect to the Company or any other entity whose performance is relevant to the vesting of PRSUs, the Committee (or, if the Company is not the surviving entity in any such transaction, the board of directors or other managing body of the surviving entity) may, without the consent of any affected Participant, amend or modify the vesting criteria (including any performance objectives) of any outstanding PRSUs that is based in whole or in part on the financial performance of the Company (or any Subsidiary or division or other sub-unit thereof) or such other entity so as equitably to reflect such event, with the desired result that the criteria for evaluating such financial performance of the Company or such other entity will be substantially the same (in the sole discretion of the Committee or the board of directors or other managing body of the surviving entity) following such event as prior to such event.

(d) In addition to the authority of the Committee under Section 3.2(b) and notwithstanding any other provision of the Plan, the Committee may, in its sole discretion, amend the terms of the Plan or Incentive Awards with respect to Participants resident outside of the United States or employed by a non-U.S. Subsidiary in order to comply with local legal requirements, to otherwise protect the Company's or Subsidiary's interests, or to meet objectives of the Plan, and may, where appropriate, establish one or more sub-plans (including the adoption of any required rules and regulations) for the purposes of qualifying for preferred tax treatment under foreign tax laws. The Committee will have no authority, however, to take any action pursuant to this Section 3.2(d) to reserve shares of Common Stock or grant Incentive Awards in excess of the limitations provided in Section 4.1 and subject to the Broad Parameters.

4. Shares Available for Issuance.

4.1 Maximum Number of Shares Available. Unless otherwise approved by the Board, the maximum number of shares of the Common Stock that are reserved and available for issuance of the Incentive Awards under conditions of the Plan shall be 14,941,176 shares (the "**Available Shares**"). The shares of Common Stock available for issuance under the Plan may, at the election of the Committee, be either treasury shares or shares authorized but unissued, and, if treasury shares are used, all references in the Plan to the issuance of shares will, for corporate law purposes, be deemed to mean the transfer of shares from treasury. The CEO is prohibited from granting or issuing Incentive Awards in excess of sixty percent (60%) of the Available Shares on or before the end of calendar year 2022, with such sixty percent (60%) threshold determined based upon an assumption of achievement of all PRSU KPIs at Target Threshold (100%) for all PRSUs granted to Participants. Thereafter, the CEO may not issue Incentive Awards in excess of eighty percent (80%) of the Available Shares unless the CEO receives prior written approval of the Board to exceed such amount, with such eighty percent (80%) threshold determined based upon an assumption of achievement of all PRSU KPIs at Target Threshold (100%) for all PRSUs granted to Participants.

4.2 Accounting for Incentive Awards. The grant of any Incentive Award under the Plan will reduce the maximum number of available shares of Common Stock remaining available for issuance of the Incentive Awards under the Plan by the number of shares subject to such Incentive Award. All granted shares so subtracted from the amount available under the Plan with respect to an Incentive Award that lapses, expires, is forfeited or for any reason is terminated or unvested will not automatically become available for issuance under the Plan.

5. Participation; Grant of Awards.

5.1 Incentive Awards. Subject to the limits of Section 4.1, commencing with the Financial Year that includes the Effective Date, each Eligible Recipient who is either (i) classified by the Company at the Senior Management level or (ii) is classified by the Company below the Senior Management level and is recommended for an Incentive Award by the CEO, shall be granted Incentive Awards that are generally (a) seventy percent (70%) Performance-based Restricted Stock Units under Section 6.2 and (b) thirty percent (30%) Time Restricted Stock Units under Section 6.3, with such ratio based on the anticipated grant of TRSUs for 2021 and the three (3) Financial Years following 2021. Incentive Awards granted to such Eligible Recipients (i) who are classified by the Company at the Senior Management level will be in the amounts as determined and approved by the Board based upon recommendations from the Committee, and (ii) who are classified below the Senior Management level will be in the amounts as determined and approved by the CEO in accordance with and subject to the Broad Parameters. For illustrative purposes only, attached hereto as **Appendix 4** is an example evidencing the scenarios of grant and vesting of the PRSUs and TRSUs subject to the Incentive Awards contemplated herein.

6. Restricted Stock Unit Awards.

6.1 Grant. In accordance with Section 5.1 and Section 6, Eligible Recipients shall be granted one or more Incentive Awards of Performance-based Restricted Stock Units and/or Time Restricted Stock Units under the Plan.

6.2 Performance-Based Restricted Stock Units.

(a) PRSU Grants. PRSUs will be granted to Eligible Recipients as a one-time grant, in a single tranche on the Effective Date of the Plan or upon an Eligible Recipient first becoming a Participant under the Plan.

(b) PRSU Vesting; Payout Amount. Notwithstanding any other provisions of the Plan to the contrary, the PRSUs granted under the Plan shall vest and be earned based on the level of vesting under the PRSU Vesting Schedule, provided in each case the Participant remains in the continuous Service of the Company or a Subsidiary from the date of grant to such PRSU Vesting Date. Except as otherwise provided in this Section 6.2, Section 7.2 and Section 7.3, the Performance-based Restricted Stock Units will vest and be earned and the number of shares of Common Stock payable in settlement of such vested PRSUs under Section 6.2(c) will be based on the level of achievement of the PRSU KPIs as of the end of the performance period and may range from zero percent (0%) to two hundred percent (200%). The PRSU KPIs shall be expressed at the following performance levels: "Minimum Threshold," "Target Threshold," and "Maximum Threshold." The PRSU KPIs and their respective weightings are outlined in **Appendix 1**. Vesting and payouts (i) for a Minimum Threshold level of achievement of a PRSU KPI will be at zero percent (0%) of the Target Threshold level of vesting and payout, (ii) for a Target Threshold level of achievement of a PRSU KPI will be at one hundred percent (100%) of the Target Threshold level of vesting and payout, (iii) for a Maximum Threshold or greater level of achievement of a PRSU KPI will be at two hundred percent (200%) of the Target Threshold level of vesting and payout, and (iv) for a level of achievement of a PRSU KPI between Minimum Threshold and Target Threshold, or between Target Threshold and Maximum Threshold, the vesting and payout percentage will be at a percentage level determined by straight line interpolation between the threshold levels, as applicable.

(c) Settlement. Upon vesting of an Incentive Award of Performance-based Restricted Stock Units, such vested units shall be settled by the delivery of shares of Common Stock as soon as practicable following the PRSU Vesting Date (but not later than the March 15 of the calendar year following the calendar year that includes the PRSU Vesting Date), subject to the Company's retention of that number of shares of Common Stock necessary to satisfy any applicable tax withholding requirements.

(d) Additional Restrictions. At the time of the grant of Performance-based Restricted Stock Units, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock subject to such Incentive Award to a time after the vesting of such Performance-based Restricted Stock Units, but not to a date that is more than three (3) years from the date of grant.

(e) Dividend Equivalents. Dividend equivalents may not be credited in respect of shares of Common Stock covered by Performance-based Restricted Stock Units until such Performance-based Restricted Stock Units have vested.

(f) Adjustment by Board. Notwithstanding anything herein to the contrary, the Board has reserved the right to reduce the amount of the settlement of a PRSU as reflected in **Appendix 3**.

6.3 Time Restricted Stock Units.

(a) TRSU Grants. TRSUs shall be granted to Eligible Recipients annually beginning on the Effective Date of the Plan and in each of the three (3) Financial Years thereafter or commencing upon an Eligible Recipient first becoming a Participant under the Plan.

(b) Vesting Requirements. Notwithstanding any other provisions of the Plan to the contrary, the Incentive Awards of Time Restricted Stock Units granted to Eligible Recipients in accordance with Section 5.1 and Section 6.3, shall vest in accordance with the TRSU Vesting Schedule; provided in each case the Participant remains in the continuous Service of the Company or a Subsidiary from the date of grant to such TRSU Vesting Date. In addition, each Incentive Award of Time Restricted Stock Units shall provide that all non-vested units under the Incentive Award shall vest upon an Initial Public Offering or a Change in Control. The vesting requirements will be set forth in an Incentive Award Agreement evidencing such Time Restricted Stock Units. Except as otherwise provided in this Section 6.3, Section 7.2 and Section 7.3, the Time Restricted Stock Units will vest and be earned and the number of shares of Common Stock payable in settlement of such vested TRSUs under Section 6.3(c) will be based on the level of vesting on the TRSU Vesting Date. If any vesting requirements of any Time Restricted Stock Units are not satisfied, such Time Restricted Stock Units will be forfeited.

(c) Settlement. Upon the vesting of an Award of Time Restricted Stock Units, such vested units shall be settled by the delivery of shares of Common Stock as soon as practicable following the TRSU Vesting Date (but not later than the March 15 of the calendar year following the calendar year that includes the TRSU Vesting Date), subject to the Company's retention of that number of shares of Common Stock necessary to satisfy any applicable tax withholding requirements.

(d) Dividend Equivalents. Dividend equivalents may not be credited in respect of shares of Common Stock covered by a Time Restricted Stock Units until such Time Restricted Stock Units have vested.

(e) Adjustment by Board. Notwithstanding anything herein to the contrary, the Board has reserved the right to reduce the amount of the settlement of a PRSU as reflected in **Appendix 3.**

6.4 Compliance with Section 409A of the Code. Notwithstanding anything to the contrary set forth herein, any Incentive Award granted under the

Plan that is not exempt from the requirements of Section 409A of the Code shall contain such provisions so that such Incentive Award will comply with the requirements of Section 409A of the Code. Such restrictions, if any, shall be determined by the Committee and contained in the Incentive Award Agreement evidencing such Incentive Award.

7. Termination of Service; Stock Purchase and Sale Rights .

7.1 Participants. Subject to Section 7.3, except to the extent that the Committee provides otherwise in an Incentive Award Agreement at the time of grant or determines otherwise pursuant to Section 7.2 or Section 7.3 (and such provisions and determinations need not be uniform among all Incentive Awards granted pursuant to the Plan), if a Participant's Service is terminated by any reason including resignation, termination, Disability or death, all Incentive Awards held by the Participant that have not vested as of the effective date of the termination shall be terminated and forfeited without payment of any compensation.

7.2 Modification of Rights Upon Termination . Notwithstanding the other provisions of this Section 7, upon a Participant's termination of Service, the Committee may, in its sole discretion (which may be exercised at any time on or after the date of grant, including following such termination) cause unvested Restricted Stock Units then held by such Participant to terminate, vest or become free of restrictions and conditions to payment, following such termination of Service, in each case in the manner determined by the Committee. The Committee may not take any such action adversely affecting any vested Restricted Stock Units and underlying shares of Common Stock acquired by a Participant without the consent of the affected Participant (subject to the right of the Committee to take whatever action it deems appropriate under Section 3.2(c), Section 7.3 and Section 9).

7.3 Additional Forfeiture Events . Notwithstanding anything in the Plan, if a Participant is determined by the Committee, acting in its sole discretion, to have taken any action that would constitute Cause or an Adverse Action, irrespective of whether such action or the Committee's determination occurs before or after termination of such Participant's Service and irrespective of whether or not the Participant was terminated for Cause: (a) all rights of the Participant under the Plan and any Incentive Award Agreements evidencing an Incentive Award then held by the Participant will terminate and be forfeited without notice of any kind, and (b) the Committee in its sole discretion may require the Participant to surrender and return to the Company all or any shares of Common Stock received in settlement of any vested Award, or to disgorge all or any profits or any other economic value (however defined by the Committee) made or realized by the Participant, during the period beginning one year prior to the Participant's termination of Service in connection with any shares of Common Stock issued upon the vesting of any Incentive Awards. The Company may defer the issuance of share certificates upon the vesting or settlement of any Incentive Award for a period of up to six (6) months after the date of such vesting or settlement in order for the Committee to make any determination as to the existence of Cause or an Adverse Action.

7.4 Repurchase Right. If a Participant either (i) commits any material breach of such Participant's employment agreement or service contract with the Company and either (1) that breach is not capable of being remedied or (2) if capable of remedy, the Participant does not remedy that breach as soon as possible and in any event within thirty (30) days of receiving a notice from the Company requiring the Participant to remedy that breach, or (ii) the Participant's employment with the Company is terminated for any reason, including due to resignation, termination, death or Disability, the Company shall have the right, as determined by the Board, to repurchase all (and not less than all) of the vested shares of Common Stock acquired by the Participant under this Plan, in accordance with the terms of this Section 7.4:

(a) The purchase price of the vested shares of Common Stock purchased by the Company pursuant to this Section 7.4 shall be equal to the Fair Market Value of such shares applicable at the time of the repurchase.

(b) The Company may exercise its election to acquire the Participant's vested shares of Common Stock by delivery to the Participant (or the Participant's beneficiary in the event of the Participant's death), within ninety (90) after the effective date of the termination, of a written notice of the Company's exercise of its repurchase rights under this Section 7.4.

(c) The closing of the purchase of the vested shares of Common Stock pursuant to this Section 7.4 shall take place at the principal office of the Company not later than thirty (30) days following receipt of such notice by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(d) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's capacity and authority, good title to, and the absence of liens on, such vested shares of Common Stock.

(e) The Company will pay the purchase price for the vested shares of Common Stock purchased by the Company under this Section 7.4 in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death).

7.5 Put Right. In the event (a) a Participant's employment with the Company is terminated for any reason, including due to the Participant's death or Disability (but excluding by voluntary resignation by the Participant), or (b) a Participant's employment with the Company is terminated by virtue of the Participant's voluntary resignation and more than thirty-six (36) months have passed from the date of the first grant of an Incentive Award to that individual Participant, and, in each case, the Company has not exercised its right within the period under Section 7.4 to repurchase the Participant's vested shares of Common Stock, the Participant (or the Participant's beneficiary in the event of death) shall have the right to elect to sell to the Company by giving the Company, within ninety (90) days after the effective date of termination, a written notice specifying that he or she wishes to sell all (and not less than all) of his or her vested shares of Common Stock acquired by the Participant under the Plan, and the Company shall be required to purchase from the Participant, all (and not less than all) of the vested shares of Common Stock acquired by the Participant under the Plan, in accordance with the terms of this Section 7.5:

(a) The selling price of the vested shares of Common Stock purchased by the Company pursuant to this Section 7.5 shall be equal to the Fair Market Value of such shares applicable at the time the election to sell is made.

(b) The Participant (or the Participant's beneficiary in the event of the Participant's death) may exercise an election to sell vested shares of Common Stock by delivery of thirty (30) days' written notice specifying the number of shares to be sold.

(c) The closing of the purchase of the vested shares of Common Stock pursuant to this Section 7.5 shall take place at the principal office of the Company not later than thirty (30) days following receipt of such notice by the Company.

(d) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's capacity and authority, good title to, and the absence of liens on, such vested shares of Common Stock.

(e) The Company will pay the selling price for the vested shares of Common Stock purchased by the Company under this Section 7.5 in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death).

7.6 Drag-Along Rights. If at any time BNAC (alone or together with any of the other stockholders of the Company) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of Common Stock, BNAC (and BNAC alone) may require the participation of all (and not less than all) of the vested shares of the Common Stock owned by the Participants in such sale in the manner set forth in this Section 7.6:.

(a) BNAC shall exercise its rights pursuant to this Section 7.6 by delivering to the Company and each of the other stockholders of the Company a written notice (the "**Drag-along Notice**") of such proposed sale no later than fifteen (15) days prior to the proposed closing thereof. Any Drag-along Notice shall make reference to the Participants' obligations under this Section 7.6 and shall describe in reasonable detail:

(i) the number of shares of Common Stock to be sold by BNAC;

(ii) the person to whom such shares of Common Stock are proposed to be sold;

(iii) the material terms and conditions of the sale, including the consideration to be paid; and

(iv) the proposed date, time and location of the closing of the sale.

(b) In any sale is subject to this Section 7.6, each of the Participants shall agree to sell all (and not less than all) of the shares of Common Stock owned by the Participant, free and clear of any liens and on the same terms and conditions as BNAC in such sale, and shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's capacity and authority, good title to, and the absence of liens on, such vested shares of Common Stock.

(c) If BNAC (alone or together with any of the other stockholders of the Company) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of the Common Stock pursuant to this Section 7.6, the Participants shall consent to and not object to or exercise any appraisal or dissenters' rights in connection with such transaction. Without limiting the foregoing, each of the Participants shall, if requested by BNAC, execute and deliver a power of attorney and custody agreement, in form and substance satisfactory to BNAC, with respect to the shares of Common Stock that are to be included by them in any sale pursuant to this Section 7.6. The power of attorney and custody agreement will provide, among other things, that each such Participant will:

(i) deliver to and deposit into custody with BNAC, named as the custodian therein, a certificate or certificates representing such shares of Common Stock (duly endorsed in blank by the owner or owners thereof or accompanied by duly endorsed stock powers in blank); and

(ii) irrevocably appoint BNAC as such stockholder's agent and attorney-in-fact with full power to act thereunder on behalf of such stockholder with respect to the matters specified therein.

(d) Each Participant shall fully cooperate with BNAC and shall take all necessary actions to effectuate the sale of shares of Common Stock pursuant to this Section 7.6, including entering into such agreements and delivering such certificates and instruments, as may be reasonably requested from time to time by BNAC, provided that no Participant shall be:

(i) liable for any indemnification obligations to any potential purchaser in respect of such representations and warranties on a joint, rather than several, basis, and in no event with respect to an amount in excess of the net cash proceeds to be paid to such stockholder in such transaction; and

(ii) subject to any escrow or similar arrangement relating to such transaction with respect to an amount in excess of the net cash proceeds to be paid to such other stockholders in such transaction.

(e) Each of the Participants participating in the sale of shares of Common Stock by BNAC under this Section 7.6 shall be paid a

consideration (on a per share of Common Stock basis) on the same terms and conditions as BNAC in such sale.

8. Payment of Withholding Taxes.

8.1 General Rules.The Company is entitled to (a) withhold and deduct from future wages of the Participant (or from other amounts that may be due and owing to the Participant from the Company or a Subsidiary), or make other arrangements for the collection of, an amount the Company reasonably determines to be the minimum statutory amount necessary to satisfy any and all federal, foreign, state and local withholding and employment-related tax requirements attributable to an Incentive Award, including the grant, vesting, or payment of dividends with respect to, an Incentive Award; (b) withhold shares of Common Stock from the shares issued or otherwise issuable to the Participant in connection with an Incentive Award; or (c) require the Participant promptly to remit the amount of such withholding to the Company before taking any action, including issuing any shares of Common Stock, with respect to an Incentive Award. Shares of Common Stock issued to the Participant in connection with an Incentive Award that gives rise to the tax withholding obligation that are withheld for purposes of satisfying the Participant's withholding or employment-related tax obligation will be valued at their Fair Market Value on the Tax Date.

8.2 Special Rules. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require a Participant to satisfy, in whole or in part, any withholding or employment-related tax obligation described in Section 8.1 by electing to tender, or by attestation as to ownership of, Previously Acquired Shares, by delivery of a promissory note (on terms acceptable to the Committee in its sole discretion), or by a combination of such methods. For purposes of satisfying a Participant's withholding or employment-related tax obligation, Previously Acquired Shares tendered or covered by an attestation will be valued at their Fair Market Value on the Tax Date.

9. Change in Control.

9.1 Certain Definitions. As used in this Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Committee shall have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(b) "Cash Transaction" means a merger or other transaction in which holders of the Common Stock receive a cash payment for each share exchanged or surrendered in such merger or other transaction.

(c) "Change in Control" means (i) any merger or consolidation of the Company with or into another entity, including, without limitation, a reverse merger with a company that has common stock traded on a United States securities exchange or combination, in whatever form, with a special purpose acquisition company, (ii) any sale by the Company of all or substantially all of its assets, other than a sale of assets in which the stockholders of the Company immediately before the transaction will own immediately thereafter, directly or indirectly, securities having a majority in ordinary voting power of the outstanding securities of the acquiror of the Company's assets, (iii) any sale or other transfer of shares of stock by one or more stockholders of the Company as a result of which any one transferee, together with the transferee's Affiliates, will become the owner of a majority in ordinary voting power of the Company's outstanding stock, but *excluding* (A) any sale or other transfer from a stockholder to a transferee who is an existing stockholder of the Company and (B) any sale or transfer of shares of stock directly by the Company or its Affiliates, or (iv) an Initial Public Offering.

9.2 Change in Control in General. In the event of a Change in Control, the Board, or any corporation or entity assuming the obligations of the Company, may take any one or a combination of the following actions as to outstanding Incentive Awards (and need not take the same action as to each such Incentive Award):

(a) provide that an Incentive Award be vested in full or part either on the date of the Change in Control; or

(b) provide that an Incentive Award shall be assumed, or equivalent Incentive Awards shall be substituted, by the acquiring or succeeding corporation or business entity (or an affiliate thereof).

9.3 Certain Exceptions. Notwithstanding anything herein to the contrary, the Board may provide in any Incentive Award Agreement that any or all of the preceding provisions of this Section 9 shall not apply to the Incentive Award granted under that Incentive Award Agreement.

9.4 Stockholders' Representative. For purposes of this section, "**Stockholders' Representative**" means one or more persons or entities appointed by the Company's stockholders to represent the interests of the stockholders in connection with a Change in Control, including with respect to matters such as: (a) determining any purchase price adjustment after the closing of the Change in Control; (b) taking any actions on behalf of the stockholders between the signing and closing of any agreement providing for such Change in Control (an "**Acquisition Agreement**"), including determining whether any closing conditions have been satisfied; (c) determining the amount to be paid to the stockholders after the closing of the Change in Control as the result of an earnout or other post-closing contingent payment obligation; (d) resolving any disputes relating to the payment to the stockholders of any amounts pursuant to the Acquisition Agreement, including any amounts placed in escrow in connection with the Change in Control, (e) receiving notices on behalf of the stockholders; (f) approving amendments to the Acquisition Agreement or (g) enforcing and protecting the rights and interests of the stockholders arising out of or under or in any manner relating to the Acquisition Agreement and any related agreements or documents, including entering into any settlement or instituting or defending any claim or litigation against the stockholders with respect to the matters contemplated by the Acquisition Agreement and any related agreements or documents and the transactions contemplated thereby. By receiving the grant of an Incentive Award under the Plan, each Participant agrees that (x) any Stockholders' Representative appointed by the Company's stockholders in connection with a Change in Control shall, without any further authorization or other action by the Participant, be appointed as such Participant's representative and attorney-in-fact in connection with such Change in Control on the same terms

and to the same extent as such Stockholders' Representative is appointed by the Company's stockholders in connection with such Change in Control and (y) the Participant will execute promptly on request of the Company any documents the Company deems necessary or desirable to provide further assurance of the foregoing appointment.

10. Rights of Eligible Recipients and Participants; Transferability .

10.1 Service. Nothing in the Plan or in any Incentive Award Agreement confers upon any Eligible Recipient or Participant any right to continue in the Service of the Company or any Subsidiary or interferes with or limits in any way the right of the Company or any Subsidiary to terminate the Service of any Employee at any time, with or without notice and with or without cause, subject to the terms of such Employee's employment contract, if any.

10.2 Restrictions on Transfer.

(a) Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by subsection (b) below, no right or interest of any Participant in an Incentive Award of Restricted Stock Units will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise and any such attempted assignment, transfer or sale, directly or indirectly, shall be void ab initio. Further, except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by Section 7.4, Section 7.5, Section 7.6 or subsection (b) below, no right or interest of any Participant in any Common Stock issued in settlement of a vested Restricted Stock Unit will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise and any such attempted assignment, transfer or sale, directly or indirectly, shall be void ab initio

(b) A Participant will be entitled to designate a beneficiary to receive payment or settlement of an Incentive Award upon such Participant's death, and in the event of such Participant's death, payment of any amounts due under the Plan will be made to such beneficiary. If a deceased Participant has failed to designate a beneficiary, or if a beneficiary designated by the Participant fails to survive the Participant, payment of any amounts due under the Plan will be made to the Participant's legal representatives, heirs and legatees. If a deceased Participant has designated a beneficiary and such beneficiary survives the Participant but dies before complete payment of all amounts due under the Plan, then such payments will be made to the legal representatives, heirs and legatees of the beneficiary. Any beneficiary, legal representative, heir or legatee of a Participant who receives an Incentive Award will remain subject to all the terms and conditions applicable to the Participant prior to such receipt.

(c) Prior to an Initial Public Offering, a Participant (or the executor, administrator or other personal representative or other successor of a deceased Participant) may not sell, assign, transfer or otherwise dispose of vested shares of Common Stock acquired pursuant to an Incentive Award to a third party.

10.3 Non-Exclusivity of the Plan . Nothing contained in the Plan is intended to modify or rescind any previously approved compensation plans or programs of the Company or create any limitations on the power or authority of the Board to adopt such additional or other compensation arrangements as the Board may deem necessary or desirable.

11. Securities Law and Other Restrictions .

11.1 Securities Law Restrictions . Notwithstanding any other provision of the Plan or any Incentive Award Agreements, the Company will not be required to issue any shares of Common Stock under the Plan, and a Participant may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to Incentive Awards granted under the Plan: (a) unless there is in effect with respect to such shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws; (b) unless there has been obtained any other consent, approval or permit from any other U.S. or foreign regulatory body which the Committee, in its sole discretion, deems necessary or advisable; and (c) if at any time at which the Company is not required to file reports with the Securities and Exchange Commission (the "**SEC**") pursuant to Sections 12(b), 12(g) or 15(d) of the Exchange Act or the rules and regulations thereunder, such issuance, sale or transfer would cause the number of stockholders of the Company to increase such that the Company would be within ten (10) stockholders of the number that would cause the Company to be required to file reports with the SEC pursuant to Sections 12(g) or 15(d) of the Exchange Act and the rules and regulations thereunder. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

11.2 "Market Stand-Off" Restrictions . Except as otherwise approved by the Committee, the shares of Common Stock acquired in connection with the grant, vesting or settlement of an Incentive Award will be restricted following the effective date of a registration of the Company's securities under the Securities Act, and the holder thereof will not, without the prior written consent of the Company or the representative(s) of any underwriters, (a) sell, pledge, offer to sell, contract to sell (including any short sale), sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Participant who exercised such option or are thereafter acquired); or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The provisions of this Section 11.2 will not apply (w) unless the executive officers and directors of the Company have agreed to be bound by substantially the same terms and conditions; (x) to public offerings other than the Company's initial public offering and any public offering made within two (2) years thereafter; (y) to registrations relating solely to securities in connection with employee benefit plans or in connection with mergers, consolidations, reorganizations, or other transactions pursuant Rule 145 under the Securities Act; or (z) to transfers to donees who agree to be similarly bound. The time period

for such market stand-off will be determined by the Company and the representative(s) of any underwriters but will in no event exceed one hundred eighty (180) days from the date of the final prospectus with respect to the applicable public offering. The Company may impose stop-transfer instructions during such stand-off period with respect to the shares of Common Stock subject to this restriction if necessary to enforce such restrictions. The underwriters in connection with any such public offering are intended third party beneficiaries of this Section 11.2 and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

12. Compliance with Section 409A.

It is intended that the Plan and all Incentive Awards hereunder be construed and administered in a manner that will comply with the requirements of an exception to Section 409A of the Code; provided, that, in accordance with Section 6.4, an Incentive Award may be granted pursuant to an Incentive Award Agreement that is subject to and complies with the requirements of Section 409A of the Code. The Committee is authorized to adopt rules or regulations deemed necessary or appropriate to qualify for an exception from the requirements of Section 409A of the Code.

13. Plan Amendment, Modification and Termination .

The Board may amend, suspend or terminate the Plan or any portion or whole thereof at any time. The Board, may amend the Plan from time to time in such respects as the Board may deem advisable in order that Incentive Awards under the Plan will conform to any change in applicable laws or regulations or in any other respect the Board may deem to be in the best interests of the Company. Notwithstanding the immediately preceding sentences set forth in this Section 13, no termination, suspension or amendment of the Plan may adversely affect any outstanding Incentive Award without the consent of the affected Participant, including, but not limited to, any amendment, suspension or termination of the terms set forth in Section 7 herein or any modification, termination or amendment to the terms applicable to such Incentive Award; provided, however, that this sentence will not impair the right of the Committee to take whatever action it deems appropriate under Section 2.1, Section 7.3 and Section 9.

14. Effective Date and Duration of the Plan .

The Plan is effective as of January 1, 2021 (the "**Effective Date**"), and shall remain valid until the earlier of (i) 6 months after an IPO or (ii) January 1, 2024, provided the obligations and rights of the Company and any Participants hereunder shall remain in full force and effect as to all outstanding unvested or vested Restricted Stock Units and all Common Stock issued to a Participant issued in settlement of a Restricted Stock Unit granted pursuant to this Plan that has not been redeemed, in its entirety, by the Company including, but not limited to, all rights and obligations set forth in Section 7 herein; provided, the Plan may be terminated prior to such time by the Board. No Incentive Award will be granted after termination of the Plan. This Plan shall survive termination solely for the outstanding Incentive Awards which have already been granted to the Participants before the expiration date or termination of the Plan, as case may be.

15. Miscellaneous.

15.1 Usage. In the Plan, except where otherwise indicated by clear contrary intention, (a) any masculine term used herein also includes the feminine, (b) the plural includes the singular, and the singular includes the plural, (c) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term, and (d) "or" is used in the inclusive sense of "and/or".

15.2 Governing Law and Venue . The validity, construction, interpretation, administration and effect of the Plan and any rules, regulations and actions relating to the Plan will be governed by and construed exclusively in accordance with the laws of the State of New York, notwithstanding the conflicts of laws principles of any jurisdictions. Any legal proceeding related to the Plan will be brought in an appropriate New York court, and the parties to any Incentive Award Agreement consent to the exclusive jurisdiction of the court for this purpose.

15.3 Successors and Assigns. The Plan will be binding upon and inure to the benefit of the successors and permitted assigns of the Company and the Participants.

15.4 Construction. Wherever possible, each provision of the Plan and any Incentive Award Agreement will be interpreted so that it is valid under the applicable law. If any provision of the Plan or any Incentive Award Agreement is to any extent invalid under the applicable law, that provision will still be effective to the extent it remains valid. The remainder of the Plan and the Incentive Award Agreement also will continue to be valid, and the entire Plan and Incentive Award Agreement will continue to be valid in other jurisdictions.

15.5 Initial Public Offering Process. It is the intent of the Company to seek an IPO on or before the third anniversary of the Effective Date of the Plan. The CEO and the Senior Management will seek to achieve or exceed the Minimum Target IPO Price as part of the Company's pursuit of an IPO. In the event that the market conditions are not conducive to the pursuit of an IPO on or before the third anniversary of the Effective Date of the Plan, the CEO and the Senior Management, in conjunction with the Board of Directors, may elect to delay the IPO for up to one (1) year after the third anniversary of the Effective Date of the Plan. Upon or before a successful completion of an IPO, the Plan will be supplanted with a new equity incentive plan, as determined by the Board in its sole and absolute discretion. It is currently anticipated that this replacement plan would be comparable to similar plans maintained by U.S. public companies.

IN WITNESS WHEREOF, the undersigned, on behalf of BKV Corporation, has executed this BKV Corporation 2021 Long Term Incentive Plan document effective as of January 1, 2021.

BKV CORPORATION

By: /s/ Christopher Kalnin
Name: Christopher Kalnin
Title: CEO
Dated: December 9, 2020

ACKNOWLEDGED AND ACCEPTED BY:

BANPU NORTH AMERICA CORPORATION

By: /s/ Thiti Mekavichai
Name: Thiti Mekavichai
Title: CEO
Dated: December 9, 2020

Appendix 1

PRSU KPIs

Performance Period. The following PRSU KPIs are based on the Plan's performance period beginning on the Effective Date and ending on the earlier of December 31, 2023, the date of an IPO, the date of a Change in Control, or the date of the Company's reverse merger with a company that has common stock traded on a United States securities exchange.

PRSU KPIs	Minimum Threshold	Target Threshold	Maximum Threshold	Weighting
Total Shareholder Return (TSR)	[***]	[***]	[***]	60%
Return on Capital Employed (ROCE)	[***]	[***]	[***]	20%
IPO Readiness	[***]	[***]	[***]	20%
Payout Percentage	0%	100%	200%	

Total Shareholder Return (TSR).

Total Shareholder Return or "TSR" is defined as the Fair Market Value of the Fully Diluted Shares outstanding (in dollars per share) divided by the Base Price less any common dividends paid per share incorporating the timing on when such dividend payments are paid on a daily basis to accurately estimate the time weighted rate of return, stated in a percent. For purposes of determining the TSR in all scenarios, other than a reverse merger, TSR is expressed as the following formula:

TSR = [(Fair Market Value per fully diluted common share) ÷ (Base Price** less cumulative dividends paid per share (time weighted))] ^ (1/Years) less 100%

(i) Public Company Basis. If the company has successfully completed an IPO then the TSR calculation will incorporate the IPO Average Trading Price as the basis for determining the Fair Market Value of the company. In the event of a reverse merger to go public, the Company would utilize the average trading price of the common stock of the reverse merged company over the 30 trading days following the reverse merger as the basis for Fair Market Value.

(ii) Private Company Basis. If the company has not successfully completed an IPO, and there is no imminent plans to IPO, then on the third anniversary of the Plan Effective Date, the Fair Market Value would be determined according to Section 2.19 for utilization in the TSR calculation.

The TSR shall be expressed as the following formula in the event of a reverse merger:

TSR=[Implied BKV Shareholders Equity Value* per share on a fully diluted common stock price) ÷ (Base Price** less cumulative dividends paid per share(time weighted))] ^(1/Years O/S) less 100%

*"Implied BKV Shareholders Equity Value per share on a fully diluted common stock price " means [[(the average 30 day closing price of the combined company's stock, as measured 30 trading days immediately preceding the effective transaction date of the reverse merger x the number of Fully Diluted Shares owned by the BKV shareholders in the combined company's stock as of the effective date of the reverse merger) + any cash/non-cash adjustment(s) (credit or liability) related to the reverse merger transaction to BKV shareholders, which actually increases or decreases the equity value of the BKV shareholders] ÷ the

number of Fully Diluted Shares outstanding for all BKV shareholders, prior to the reverse merger transaction effective date]].

**adjusted to account for any stock split, stock distribution, recapitalization, combination or similar event.

For purposes of determining TSR, "Fully Diluted Shares" means the total number of shares of Common Stock that are outstanding and available to trade on the open market after all sources of conversion are exercised or occur, including, without limitation, any stock options, convertible bonds, vested TRSUs and vested PRSUs.

Average Return on Capital Employed (ROCE).

The Return on Capital Employed or "ROCE" is defined as the Earnings Before Interest and Tax ("EBIT") as calculated on US GAAP basis, divided by Total Assets less Current Liabilities (including the current portion of debt). ROCE is expressed as the following formula:

ROCE = Average (EBIT / Capital Employed) over the performance period, where:

- EBIT = Earnings Before Interests & Tax (U.S. GAAP)
- Capital Employed = Total Assets – Current Liabilities including Assumed Current Portion of Debt (U.S. GAAP)

IPO Readiness.

IPO Readiness means the overall assessment of the Company's readiness to successfully complete an IPO, as determined by a reputable third-party consultant evaluating all aspects of the Company's capability to be publicly listed and ("Yes" or "No") and the date at which the Company is ready (based on when the assessment was conducted).

APPENDIX 2
BROAD PARAMETERS

The Broad Parameters approved by the Board for the CEO's authority to grant Incentive Awards to each Employee shall be for each grant to be no more than 5 times the current salary (based upon the date of grant of such Incentive Award) of any Employee and taking into account a 4 year average duration of employment by such Employee.

APPENDIX 3
BOARD APPROVED PARAMETERS OF INTENT FOR ISSUANCE OF INCENTIVE AWARDS UNDER THE PLAN

Long-term Incentive Plan (LTIP):

LTIP should not affect BKV's ability to pay dividends to holders of shares of Common Stock.

LTIP should not drive BKV to report a negative net income in any fiscal year.

Board retains discretion to reduce an Incentive Award payout by up to 20% of the total payout, at target level of achievement for PRSUs, at the sole and absolute discretion of the Board, to normalize against an irregular outcome.

Profit should be shared appropriately among all stakeholders.

In light of expensing of LTIP considerations, the LTIP grants commence on **January 1, 2021**, to align with a full fiscal year and to eliminate any expense implications for fiscal 2020.

APPENDIX 4
EXAMPLE OF TRSU AND PRSU GRANTS

Exhibit 10.8

FIRST AMENDMENT
TO THE
BKV CORPORATION
2021 LONG TERM INCENTIVE PLAN
(ADOPTED JANUARY 1, 2021)

This First Amendment (this "**Amendment**") to the BKV Corporation 2021 Long Term Incentive Plan (the " **Plan**") is made by BKV Corporation, a Delaware corporation (the "**Company**") this 5th day of November, 2021.

WHEREAS, the Company wishes, for accounting purposes, to treat Incentive Awards granted under the Plan and the shares of Common Stock issued in settlement of such Incentive Awards as equity rather than debt, which requires that (i) Participants (and beneficiaries) not be able to exercise their put or tender rights under an Incentive Award Agreement and the Plan for at least 181 days following the date on which such Incentive Award vests (the "**Holding Period**"), (ii) the Company not be permitted to exercise its right under an Incentive Award Agreement to purchase shares of Common Stock from Participants (and beneficiaries) until after the Holding Period, and (iii) a fair market value determination made quarterly to the extent necessary to affect transactions during the year; and

WHEREAS, the Company wishes to make available to Participants who receive a share of the Company's Common Stock in settlement of an Incentive Award under the Plan, the right, following the Holding Period, to tender such shares for repurchase by the Company in accordance with and subject to the limits and other requirements established under the Company's Sell Fund Repurchase Program as in effect from time to time (the "**Sell Fund Repurchase Program**"); and

WHEREAS, the Company wishes to amend the Plan (i) to impose the requirement that a Participant (or beneficiary following the Participant's death) may not exercise their right to put any shares acquired by such Participant (or beneficiary) prior to the date that is 181 days following the date the Participant became vested in the right to receive a share of the Company's Common Stock, (ii) to require a fair market value determination made quarterly to the extent necessary to affect transactions occurring during the year, (iii) to provide eligible Participants the right to tender such shares for repurchase by the Company in accordance with and subject to the limits and other requirements established under the Company's Sell Fund Repurchase Program, and (iv) to prohibit the Company from exercising its right to purchase from the Participant (or beneficiary) shares acquired by such Participant (or beneficiary) prior to the date that is 181 days following the date the Participant became vested in the right to receive a share of the Company's Common Stock.

NOW THEREFORE, the Plan is amended as follows:

1. Section 2.19 of the Plan regarding the definition of "Fair Market Value" is amended and restated effective as of October 31, 2021 to read as follows:

> 2.19 "Fair Market Value" means, with respect to the Common Stock, as of any date: (a) the closing sale price of the Common Stock as of such date at the end of the regular trading session, as reported on any national securities exchange on which the Common Stock is then listed (or, if no shares were traded on such date, as of the next preceding date on which there was such a trade); or (b) if the Common Stock is not so listed as described in above, the price, on a per share of the Common Stock basis, at which a willing seller would sell, and a willing buyer would buy, the Common Stock having full knowledge of all relevant facts, in an arm's length transaction without taking into account the minority ownership interest of any shares of the Common Stock and the rights associated with any minority ownership interest hereunder. For all purposes under this Plan (including as to taxation), the fair market value of the Common Stock as described in (b) above shall be determined quarterly during each Financial Year, if needed for transactions occurring during the year, by the Committee using the independent and impartial valuation of the Common Stock performed, on an annual basis, by Guggenheim Securities, LLC, with interim valuations based on the methodologies established in such annual Guggenheim Securities, LLC valuation prepared by the Company or a third party with valuation expertise. The annual valuation may be performed by an independent and impartial appraiser approved by the Board other than Guggenheim Securities, LLC if its fees are not at competitive market rates (as determined by the Board based upon evidence of fees charged by other United States investment banking firms for the same services).

2. Section 7 of the Plan is amended by adding a new Section 7.7 to read as follows:

> 7.7 Holding Period.
>
> (a) A Participant (or beneficiary following the Participant's death) who receives a share of the Company's Common Stock in settlement of an equity-based incentive award under the Plan may not exercise their right to put such share of Common Stock to the Company for repurchase under Section 7.5 or tender such share of Common Stock to the Company for purchase under Section 7.8 prior to the date that is 181 days following the date the Participant became vested in the right to receive such share of the Company's Common Stock under the terms of the equity-based incentive award.
>
> (b) The Company may not exercise its right to purchase shares of the Company's Common Stock from a Participant (or beneficiary following the Participant's death) under Section 7.4 prior to the date that is 181 days following the date the Participant became vested in the right to receive such share of the Company's Common Stock under the terms of the equity-based incentive award.

3. Section 7 of the Plan is amended by adding a new Section 7.8 to read as follows:

> 7.8 Sell Fund Repurchase Program. If, and only if, an applicable Incentive Award Agreement (including by amendment of such agreement) specifically so provides, a Participant who receives shares of the Company's Common Stock in settlement of an Incentive

Award, shall have the right, subject to the holding requirement of Section 7.7, to tender such shares for repurchase by the Company in accordance with and subject to the limits and other requirements established under the Company's Sell Fund Repurchase Program, as in effect from time to time.

IN WITNESS WHEREOF, the undersigned, on behalf of BKV Corporation, has executed this First Amendment to the BKV Corporation 2021 Long Term Incentive Plan document effective as of the date first above written.

BKV CORPORATION

By: /s/ Christopher P. Kalnin

Name: Christopher P. Kalnin

Title: CEO

Portions of this document have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both not material and is the type that the registrant treats as private or confidential. Redacted portions are indicated with the notation "[***]".

Time Restricted Stock Unit Award and
Performance-based Restricted Stock Unit Award

BKV CORPORATION
TIME RESTRICTED STOCK UNIT AWARD AND PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD NOTICE
2021 EQUITY INCENTIVE PLAN

BKV Corporation, a Delaware corporation (the "**Company**"), pursuant to its 2021 Equity Incentive Plan (the " **Plan**"), hereby grants to the Participant a Time Restricted Stock Unit award of the number of Time Restricted Stock Units (as defined in the Plan), set forth below (the "**Time Restricted Stock Units**" or "**TRSUs**") and the number of Performance-based Restricted Stock Units (as defined in the Plan) set forth below (the " **Performance-based Restricted Stock Units**" or "**PRSUs**"). The Time Restricted Stock Units and the Performance-based Restricted Stock Units are subject to all of the terms and conditions as set forth in this Time Restricted Stock Unit Award and Performance-based Restricted Stock Unit Award Notice (the "**Award Notice**") and in the Time Restricted Stock Unit Award and Performance-based Restricted Stock Unit Award Agreement and the Plan, both of which are attached hereto and incorporated herein in their entirety.

Participant:	[ ]
Date of Grant:	[ ]
Number of Time Restricted Stock Units:	[ ]
TRSU Vesting Schedule:	[ ] TRSUs vest on the Date of Grant; thereafter [ ] TRSUs vest on the second anniversary of the Date of Grant and each annual anniversary thereafter; provided that the Participant's Service has continued from the Date of Grant through each such date.
PRSU Vesting Schedule:	See **Exhibit A** attached hereto. At Target Payout, [ ] PRSUs, subject to adjustment under the Plan.
Performance Period:	January 1, 2021 to the earlier of December 31, 2023, an IPO or a Change in Control.
PRSUs Settlement Date:	Vested Performance-based Restricted Stock Units will be settled and shares of Common Stock underlying the vested Performance-based Restricted Stock Units will be issued immediately following the vesting thereof.

The undersigned Participant acknowledges that he or she has received a copy of this Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Notice, the Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Agreement and the Plan. As an express condition to the grant of the Award hereunder, the Participant agrees to be bound by the terms of this Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Notice, the Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Agreement and the Plan. The undersigned Participant further acknowledges that as of the Date of Grant, this Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Notice, the Time Restricted Stock Award Agreement and Performance-based Restricted Stock Unit Award, and the Plan set forth the entire understanding between the Participant and the Company regarding the award of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of (i) awards previously granted and delivered to the Participant by the Company, and (ii) any agreements noted in an attachment to this Time Restricted Stock Award and Performance-based Restricted Stock Unit Award Notice.

BKV CORPORATION:

By: _____

Name:
Title:
Date:

PARTICIPANT:

_____

Date: _____
Address: _____

TIME RESTRICTED STOCK UNIT AWARD AND PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE

BKV CORPORATION 2021 EQUITY INCENTIVE PLAN

Pursuant to the Time Restricted Stock Unit Award and Performance-based Restricted Stock Unit Award Notice (the " **Award Notice**"), and subject to the terms of this Time Restricted Stock Unit Award and Performance-based Restricted Stock Unit Award Agreement (this "**Agreement**") and the BKV Corporation 2021 Equity Incentive Plan (the "**Plan**"), BKV Corporation, a Delaware corporation (the "**Company**"), and the Participant agree as follows. Capitalized terms not otherwise defined in this Agreement or in the Award Notice will have the same meanings as set forth in the Plan.

1. Award.

(a) Award of Time Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant Time Restricted Stock Units, as set forth in the Award Notice, subject to adjustment as provide in the Plan, and each of which, if vested and earned pursuant to this Agreement, will be settled in one (1) share of the Company's common stock, $0.01 par value per share, ("**Common Stock**"), at the time and subject to the terms, conditions and restrictions set forth in this Agreement and the Plan (the "**TRSU Award Shares**").

(b) Award of Performance-based Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant Performance-based Restricted Stock Units, as set forth in the Award Notice, subject to adjustment as provided in the Plan, and each of which, if vested and earned pursuant to this Agreement, will be settled in one (1) share of the Company's Common Stock, at the time and subject to the terms, conditions and restrictions set forth in this Agreement and the Plan (the "**PRSU Award Shares**" and collectively with the TRSU Award Shares, the "**Award Shares**").

2. Vesting.

(a) Time Restricted Stock Units.

(i) Vesting Schedule; Accelerated Vesting. Except as otherwise provided in this Section 2(a) or the Plan, the Time Restricted Stock Units will vest in the amounts and on the date(s) as indicated in the Vesting Schedule set forth in the Award Notice (each a "**TRSU Vesting Date**"), provided the Participant remains in the Service of the Company or Subsidiary through the applicable TRSU Vesting Date. In addition, all non-vested Time Restricted Stock Units that have not been forfeited shall vest upon an initial public offering of the Company's shares of Common Stock or a Change in Control of the Company, provided the Participant remains in the Service of the Company or a Subsidiary through such date. Subject to the limitations contained herein and in the Plan, upon Participant's termination of Service from the Company and all Subsidiaries the Time Restricted Stock Units that have not vested as of the date of such termination shall be forfeited and terminate; provided, however, that upon a Participant's termination of Service, the Committee may, in its sole discretion cause any Time Restricted Stock Units then held by such Participant to terminate, vest or become free of restrictions and conditions to payment, in each case in the manner determined by the Committee; provided, further, that any such action adversely affecting any outstanding Incentive Award may not be effective without the consent of the affected Participant (subject to the right of the Committee to take whatever action it deems appropriate under Sections 3.2(c), 7.3 and 9 of the Plan).

(b) Performance-based Vesting; Determination of Amount of Performance-based Restricted Stock Units.

(i) Performance Vesting; Performance Measures and Performance Goals. Except as otherwise provided in this Section 2(b) or the Plan, the Performance-based Restricted Stock Units will vest and the number of shares of Common Stock payable in settlement of such vested Performance-based Restricted Stock Units shall be determined at the end of the Performance Period (the "**PRSU Vesting Date**") by reference to the level of achievement of the PRSU KPIs during the Performance Period in accordance with the table set forth in **Exhibit A** to this Agreement and may range from 0% to 200% of the Participant's Target Payout as set forth in the Award Notice, provided the Participant remains in the Service of the Company or Subsidiary through the applicable PRSU Vesting Date. The PRSU KPIs for the Performance Period and their respective weightings and their respective Minimum Threshold, Target Threshold and Maximum Threshold levels, are described in the table set forth in **Exhibit A** to this Agreement; provided, however, that upon a Participant's termination of Service, the Committee may, in its sole discretion, cause any Performance-based Restricted Stock Units then held by such Participant to terminate, vest or become free of restrictions and conditions to payment, in each case in the manner determined by the Committee; provided, further, that any such action adversely affecting any outstanding Incentive Award may not be effective without the consent of the affected Participant (subject to the right of the Committee to take whatever action it deems appropriate under Sections 3.2(c), 7.3 and 9 of the Plan). In addition, all non-vested Performance-based Restricted Stock Units that have not been forfeited shall vest at the Target Payout level upon an initial public offering of the Company's shares of Common Stock or on the date of a Change in Control of the Company, provided the Participant remains in the Service of the Company or a Subsidiary through such date.

(ii) Determination of Amount of Earned Performance-based Restricted Stock Units. The number of Performance-based Restricted Stock Units to be settled in PRSU Award Shares (the "**Earned Performance-based Restricted Stock Units**") will be determined by prorated, straight-line interpolation between the Minimum Threshold and Target Threshold, or Target Threshold and Maximum Threshold if the level of performance achieved for the PRSU KPIs for the Performance Period falls between such levels, as specified in the table set forth in **Exhibit A** to this Agreement, and the determination will be rounded up to the nearest whole number of Performance-based Restricted Stock Units. The Earned Performance-based Restricted Stock Units will be settled in shares of Common Stock as provided in Section 3(b) of this Agreement.

(iii) Requirement to Exceed Minimum Threshold Level of Performance. Except as otherwise provided in Section 2(b)(i) of this Agreement and Sections 6.2(a) and Section 7.2 of the Plan and to the extent not previously forfeited or terminated pursuant to this Agreement or the Plan, the

Performance-based Restricted Stock Units shall be immediately forfeited and terminated as of the end of the Performance Period if the Committee reasonably determines the PRSU KPIs do not exceed the Minimum Threshold as described in the table set forth in **Exhibit A** to this Agreement and that no accelerated vesting event has occurred.

(c) Forfeiture Events. If the Participant is determined by the Committee, acting in its sole discretion, to have taken any action that would constitute Cause or an Adverse Action, irrespective of whether such action or the Committee's determination occurs before or after termination of the Participant's Service and irrespective of whether or not the Participant was terminated for Cause: (i) all rights of the Participant under this Agreement and the Plan will terminate and be forfeited without notice of any kind; and (ii) the Committee, in its sole discretion, may require the Participant to surrender and return to the Company all or any shares of Common Stock received, or to disgorge all or any profits or any other economic value (however defined by the Committee) made or realized by the Participant, during the period beginning one year prior to the Participant's termination of Service in connection with the Performance-based Restricted Stock Units.

(d) Adjustment by Board. Notwithstanding anything herein to the contrary, the Board has reserved the right to reduce the amount of the settlement of a vested PRSU by up to 20% of the vested amount of the PRSU at Target Threshold, as reflected in **Exhibit A,** or a vested TRSU by up to 20% of the vested amount.

3. Settlement; Issuance of Common Stock.

(a) Time Restricted Stock Units.

(i) Timing and Manner of Settlement. Immediately following the vesting of Time Restricted Stock Units under Section 2(a), such vested Time Restricted Stock Units will be converted to shares of Common Stock which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan) within sixty (60) days following the TRSU Vesting Date, except to the extent that shares of Common Stock are withheld to pay tax withholding obligations pursuant to Section 3(c) of this Agreement.

(b) Performance-based Restricted Stock Units.

(i) Amount of Payment. In the event of the achievement in excess of the Minimum Threshold level of performance with respect to a PRSU KPI described in the table set forth in **Exhibit A** to this Agreement during the Performance Period, which achievement shall be certified in writing by the Committee as soon as practicable following the expiration of the Performance Period, the Participant shall vest in the Earned Performance-based Restricted Stock Units up to the Maximum Threshold payout as determined pursuant to Section 2(b) and **Exhibit A** to this Agreement. The Participant may not be entitled to receive a greater number of PRSU Award Shares than the Earned Performance-based Restricted Stock Units at the Maximum Threshold payout, subject to adjustment as provided in the Plan. In the event Performance-based Restricted Stock Units are forfeited or cancelled for any reason pursuant to this Agreement or otherwise, no shares of Common Stock will be issued or payment made in settlement of such Performance-based Restricted Stock Units.

(ii) Timing and Manner of Settlement. Earned Performance-based Restricted Stock Units, including if vesting is accelerated as provided under the Plan, will be converted to shares of Common Stock which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan) within sixty (60) days following the PRSU Vesting Date, except to the extent that shares of Common Stock are withheld to pay tax withholding obligations pursuant to Section 3(c) of this Agreement.

(c) Withholding Taxes. Whenever any Time Restricted Stock Units and Performance-based Restricted Stock Units granted under the terms of this Agreement vest and shares of Common Stock are issued in settlement thereof, the Participant is responsible to provide to the Company when due, the minimum amount necessary for the Company to satisfy all of its federal, state and local withholding (including FICA) tax requirements relating to such taxable event. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require the Participant to satisfy these minimum withholding tax obligations in connection with the settlement of the Time Restricted Stock Units and Performance-based Restricted Stock Units by withholding shares of Common Stock issuable upon settlement of the Time Restricted Stock Units or Performance-based Restricted Stock Units. When withholding shares of Common Stock for taxes is effected under this Agreement and the Plan, it will be withheld only up to the minimum amount the Company reasonably determines is necessary to satisfy any tax withholding obligation in the Participant's applicable tax jurisdiction.

4. Rights of Participant; Transferability.

(a) No Right to Continued Employment. Nothing in the Plan or in this Agreement confers upon the Participant any right to continue in the Service of the Company or any Subsidiary or interferes with or limits in any way the right of the Company or any Subsidiary to terminate the Service of the Participant at any time, with or without notice and with or without cause.

(b) Rights as a Stockholder. Except as otherwise provided in the Plan, notwithstanding any restrictions to which Time Restricted Stock Units and Performance-based Restricted Stock Units may be subject, a Participant will have all voting, dividend, liquidation and other rights with respect to Award Shares issued in settlement of Earned Time Restricted Stock Units and Earned Performance-based Restricted Stock Units only upon the Participant becoming the holder of record of such shares as if such Participant were a holder of record of such shares.

(c) Dividends. The Participant will not receive any cash dividends or Dividend Equivalents based on the dividends declared on the Common Stock underlying the Time Restricted Stock Units and Performance-based Restricted Stock Units during the period between the Grant Date and the date the Earned Time Restricted Stock Units or Earned Performance-based Restricted Stock Units are settled in shares of Common Stock.

(d) Non-Transferability. Except as otherwise expressly permitted by the Plan, unless approved by the Committee in its sole discretion, no right or interest of the Participant in the Award Shares prior to the vesting of an Award and issuance of the Award Shares, will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise.

5. Purchase and Sale Rights Relating to Common Stock .

(a) Restriction on Transfer of Common Stock. Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by this Section 5, prior to an initial public offering of shares of Common Stock, a Participant (or the executor, administrator or other personal representative or other successor of a deceased Participant) may not sell, assign, transfer or otherwise dispose of, directly or indirectly, by operation of law or otherwise, Award Shares acquired pursuant to an Incentive Award to a third party without prior approval of such sale, assignment, transfer or disposition by the Committee or the Board, and any such attempted assignment, transfer or sale, directly or indirectly, shall be void ab initio. A Participant may transfer, for no value, vested Award Shares to a trust established by the Participant for estate planning purposes and controlled by the Participant.

(b) Repurchase Right. If the Participant either (A) commits any material breach of such Participant's employment agreement or service contract with the Company and either (1) that breach is not capable of being remedied or (2) if capable of remedy, the Participant does not remedy that breach as soon as possible and in any event within thirty (30) days of receiving a notice from the Company requiring the Participant to remedy that breach, or (B) the Participant's employment with the Company is terminated for any reason, including due to death or disability, the Company shall have the right, as determined by the Board, to repurchase all (and not less than all) of the vested shares of Common Stock acquired by the Participant under this Plan, in accordance with the terms of this Section 5(b):

(i) The selling price of the vested shares of Common Stock purchased by the Company pursuant to this Section 5(b) shall be equal to the Fair Market Value of such shares at the time of the repurchase.

(ii) The Company may exercise its election to acquire the Participant's vested shares of Common Stock by delivery of ninety (90) days' written notice to the Participant (or the Participant's beneficiary in the event of the Participant's death).

(iii) The closing of the purchase of the vested shares of Common Stock pursuant to this Section 5(b) shall take place at the principal office of the Company not later than thirty (30) days following receipt of such notice by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(iv) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's good title to, and the absence of liens on, such vested shares of Common Stock.

(v) The Company will pay the purchase price for the vested shares of Common Stock purchased by the Company under this Section 5(b) in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death)

(c) Put Right. In the event (A) the Participant's employment with the Company is terminated for any reason, including due to death or disability (but excluding by voluntary resignation by the Participant) or (B) the Participant's employment with the Company is terminated by virtue of the Participant's voluntary resignation after more than thirty-six (36) months have passed from the date of the first grant of an Incentive Award under the Plan to the Participant, and, in each case, the Company has not exercised its right under Section 5(b) to repurchase the Participant's shares of Common Stock, the Participant (or the Participant's beneficiary in the event of death) shall have the right to elect to sell to the Company, and the Company shall be required to purchase from the Participant, all (and not less than all) of the vested Award Shares acquired by the Participant under the Plan, in accordance with the terms of this Section 5(c):

(i) The selling price of the vested Award Shares purchased by the Company pursuant to this Section 5(c) shall be equal to the Fair Market Value of such shares at the time of the election to sell.

(ii) The Participant (or the Participant's beneficiary in the event of the Participant's death) may exercise an election to sell vested Award Shares by delivery of thirty (30) days' written notice specifying the number of vested Award shares to be sold.

(iii) The closing of the purchase of vested Award Shares of Common Stock pursuant to this Section 5(c) shall take place to the principal office of the Company not later than thirty (30) days following receipt of such notice by the Company.

(iv) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's good title to, and the absence of liens on, such vested Award Shares.

(v) The Company will pay the purchase price for the vested Award Shares purchased by the Company under this Section 5(c) in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(d) Drag-Along Rights. If at any time BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of Common Stock, BNAC may require the participation of all (and not less than all) of the shares of Common Stock owned by the Participant in such sale in the manner set forth in this Section 5(d).

(i) BNAC shall exercise its rights pursuant to this Section 5(d) by delivering to the Company and each of the other Company stockholders a written notice (the "**Drag-along Notice**") of such proposed sale no later than fifteen (15) days prior to the proposed closing thereof. Any Drag-along Notice shall make reference to the Participants' obligations under this Section 5(d) and shall describe in reasonable detail:

(A) the number of shares of Common Stock to be sold by BNAC;

(B) the person to whom such shares of Common Stock are proposed to be sold;

(C) the material terms and conditions of the sale, including the consideration to be paid; and

(D) the proposed date, time and location of the closing of the sale.

(ii) In any sale is subject to this Section 5(d), each of the Participants shall agree to sell all (and not less than all) of the shares of Common Stock owned by the Participant, free and clear of any liens and on the same terms and conditions as BNAC in such sale.

(iii) If BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of the Company's Common Stock pursuant to this Section 5(d), the Participants shall agree to consent to and not object to or exercise any appraisal or dissenters' rights in connection with such transaction. Without limiting the foregoing, each of the Participants will agree, if requested by BNAC, to execute and deliver a power of attorney and custody agreement, in form and substance satisfactory to BNAC, with respect to the shares of Common Stock that are to be included by them in any sale pursuant to this Section 5(d). The power of attorney and custody agreement will provide, among other things, that each such Participant will:

(A) deliver to and deposit into custody with BNAC, named as the custodian therein, a certificate or certificates representing such shares of Common Stock (duly endorsed in blank by the owner or owners thereof or accompanied by duly endorsed stock powers in blank); and

(B) irrevocably appoint BNAC as such stockholder's agent and attorney-in-fact with full power to act thereunder on behalf of such stockholder with respect to the matters specified therein.

(iv) Each Participant shall fully cooperate with BNAC and shall take all necessary actions to effectuate the sale of shares of Common Stock pursuant to this Section 5(d), including entering into such agreements and delivering such certificates and instruments, as may be reasonably requested from time to time by BNAC, provided that no Participant shall be:

(A) liable for any indemnification obligations to any potential purchaser in respect of such representations and warranties on a joint, rather than several, basis, and in no event with respect to an amount in excess of the net cash proceeds to be paid to such stockholder in such transaction; and

(B) subject to any escrow or similar arrangement relating to such transaction with respect to an amount in excess of the net cash proceeds to be paid to such other stockholders in such transaction.

(v) Each of the Participants participating in the sale of shares of Common Stock by BNAC under this Section 5(d) shall be paid a consideration (on a per share of Common Stock basis) on the same terms and conditions as BNAC in such sale.

6. Change in Control.

(a) Acceleration; Alternative Treatment. If a Change in Control of the Company occurs, then, except to the extent that an equivalent or substituted Award is provided to the Participant to replace the Award pursuant to Section 9.2(b) of the Plan, or unless otherwise provided by the Committee in its sole discretion at any time on or after the Date of Grant, the Award Shares will vest immediately and become non-forfeitable, regardless of whether the Participant remains in the employ or service of the Company or any Subsidiary or any acquiring entity or successor to the Company. In connection with a Change in Control, the Committee in its sole discretion, in lieu of providing an equivalent or substituted Award to the Participant, may determine that all or any portion of the Award and corresponding Award Shares, whether or not vested, will be terminated and forfeited and that in connection with such termination the Participant will receive for each Award Share a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities with a fair market value (as determined by the Committee in good faith) equivalent to such cash payment) equal to the difference, if any, between the consideration received by stockholders of the Company in respect of a share of Common Stock in connection with such Change in Control and the purchase price per share, if any, under the Award, multiplied by the number of Award Shares subject to the grant; provided, however, that if such product is zero ($0) or less, the Award may be canceled and terminated without payment therefor.

(b) Stockholders' Representative. In connection with any Change in Control, the Participant agrees that (i) any Stockholders' Representative appointed by the Company's stockholders in connection with such Change in Control shall, without any further authorization or other action by the Participant, be appointed as such Participant's representative and attorney-in-fact in connection with such Change in Control on the same terms and to the same extent as such Stockholders' Representative is appointed by the Company's stockholders in connection with such Change in Control and (ii) the Participant will execute promptly on request of the Company any documents the Company deems necessary or desirable to provide further assurance of the foregoing appointment.

7. Securities Laws Restrictions.

(a) General Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company will not be required to issue any shares of Common Stock pursuant to the Award, and the Participant may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to the Award: (i) unless there is in effect with respect to such shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws; (ii) unless there has been obtained any other consent, approval or permit from any other U.S. or foreign regulatory body which the Committee, in its sole discretion, deems necessary or advisable; and (iii) if at any time at which the Company is not required to file reports with the SEC pursuant to Sections 12(b), 12(g) or 15(d) of the Exchange Act or the rules and regulations thereunder, such issuance, sale or transfer would cause the number of stockholders of the Company to increase such that the Company would be within ten (10) stockholders of the number that would cause the Company to be required to file reports with the SEC pursuant to Sections 12(g) or 15(d) of the Exchange Act and the rules and regulations thereunder. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

(b) Market Stand-Off Restrictions. The Participant agrees that, for a 180-day period following the effective date of a registration of the Company's securities under the Securities Act, and subject to the terms and conditions of Section 11.2 of the Plan, the Participant will not, without the prior written consent of the Company or the representative(s) of any underwriters, (i) sell, pledge, offer to sell, contract to sell (including any short sale), sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Participant or are thereafter acquired); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise.

8. Miscellaneous.

(a) Award Shares Subject to the Plan. This Time Restricted Stock Award Agreement and the shares of Common Stock granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and the Participant, by execution of the Time Restricted Stock Award Notice, acknowledges having received a copy of the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement will be interpreted by reference to the Plan. If any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan will prevail.

(b) Section 409A. It is intended that payments under this Agreement qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. This Agreement shall be construed and administer to give full effect to such intention

(c) Binding Effect. This Agreement will be binding upon and inure to the benefit of the successors and permitted assigns of the parties to this Agreement.

(d) Governing Law and Venue. This Agreement and all rights and obligations under this Agreement will be construed in accordance with the Plan and governed by the laws of the State of New York, without regard to conflicts of laws provisions of any jurisdictions. Any legal proceeding related to this Agreement will be brought in an appropriate New York court, and the parties to this Agreement consent to the exclusive jurisdiction of the court for this purpose.

(e) Entire Agreement. This Agreement, the Time Restricted Stock Unit Award and Performance-based Restricted Stock Unit Award Notice and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the award of Award Shares and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the award of the Award Shares and the administration of the Plan.

(f) Amendment and Waiver. Other than as provided in the Plan, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance.

(g) Construction. Wherever possible, each provision of this Agreement will be interpreted so that it is valid under the applicable law. If any provision of this Agreement is to any extent invalid under the applicable law, such provision will still be effective to the extent it remains valid. The remainder of this Agreement also will continue to be valid, and the entire Agreement will continue to be valid in other jurisdictions.

EXHIBIT A

PRSU KPIs

Performance Period. The following PRSU KPIs are based on the performance period beginning on January 1, 2021 and ending on the earlier of December 31, 2023, the date of an IPO, or the date of a Change in Control.

PRSU KPIs	Minimum Threshold	Target Threshold	Maximum Threshold	Weighting
Total Shareholder Return (TSR)	[***]	[***]	[***]	60%
Return on Capital Employed (ROCE)	[***]	[***]	[***]	20%
IPO Readiness	[***]	[***]	[***]	20%
Payout Percentage	0%	100%	200%	

Total Shareholder Return (TSR)

Total Shareholder Return or "TSR"is defined as the Fair Market Value of the Fully Diluted Shares [defined?] outstanding (in dollars per share) divided by the Base Price less any common dividends paid per share incorporating the timing on when such dividend payments are paid on a daily basis to accurately estimate the time weighted rate of return, stated in a percent. TSR is expressed as the following formula:

TSR = [(Fair Market Value per fully diluted common share) ÷ (Base Price less cumulative dividends paid per share (time weighted))] ^ (1/Years) less 100%

(i) Public Company Basis. If the company has successfully completed an IPO then the TSR calculation will incorporate the IPO Average Trading Price as the basis for determining the Fair Market Value of the company. In the event of a reverse merger to go public, the Company would utilize the average trading price of the common stock of the reverse merged company over the 30 trading days following the reverse merger as the basis for Fair Market Value.

(ii) Private Company Basis. If the company has not successfully completed an IPO, and there is no imminent plans to IPO, then on the third anniversary of the Plan Effective Date, the Fair Market Value would be determined according to Section 2.19 for utilization in the TSR calculation.

The TSR shall be expressed as the following formula in the event of a reverse merger:

TSR=[Implied BKV Shareholders Equity Value* per Share** on a fully diluted common stock price) ÷ (common stock par value less cumulative dividends paid per share)] ^(1/Years O/S) less 100%

---

*"Implied BKV Shareholders Equity Value" means the average market value that the existing (pre-merger) shareholders of the Company own, based on the average 30 day closing price of the combined company's stock, as measured 30 trading days immediately preceding the effective transaction date of the reverse merger.

** "Share" means the number of Fully Diluted Shares outstanding for BKV shareholders, prior to the reverse merger transaction effective date.

For purposes of determining TSR, "Fully Diluted Shares" means the total number of shares of Common Stock that are outstanding and available to trade on the open market after all sources of conversion are exercised or occur, including, without limitation, any stock options, convertible bonds, vested TRSUs and vested PRSUs.

Average Return on Capital Employed (ROCE).

The Return on Capital Employed or "ROCE" is defined as the Earnings Before Interest and Tax ("EBIT") as calculated on US GAAP basis, divided by Total Assets less Current Liabilities (including the current portion of debt). ROCE is expressed as the following formula:

ROCE = Average (EBIT / Capital Employed) over the performance period, where:

- EBIT = Earnings Before Interests & Tax (U.S. GAAP)
- Capital Employed = Total Assets – Current Liabilities including Assumed Current Portion of Debt (U.S. GAAP)

IPO Readiness.

IPO Readiness means the overall assessment of the Company's readiness to successfully complete an IPO, as determined by a reputable third-party consultant evaluating all aspects of the Company's capability to be publicly listed and ("Yes" or "No") and the date at which the Company is ready (based on when the assessment was conducted).

BKV CORPORATION
TIME RESTRICTED STOCK UNIT AWARD NOTICE
2021 EQUITY INCENTIVE PLAN

BKV Corporation, a Delaware corporation (the "**Company**"), pursuant to its 2021 Equity Incentive Plan (the " **Plan**"), hereby grants to the Participant a Time Restricted Stock Unit award of the number of Time Restricted Stock Units (as defined in the Plan), set forth below (the "**Time Restricted Stock Units**" or "**TRSUs**"). The Time Restricted Stock Units are subject to all of the terms and conditions as set forth in this Time Restricted Stock Unit Award Notice (the "**Award Notice**") and in the Time Restricted Stock Unit Award Agreement and the Plan, both of which are attached hereto and incorporated herein in their entirety.

Participant:	[ ]
Date of Grant:	[ ]
Number of Time Restricted Stock Units:	[ ]
Vesting Schedule:	[ ] TRSUs vest on the Date of Grant; thereafter [ ] TRSUs vest on the second and third anniversary of the Date of Grant and all remaining TRSUs vest on the fourth anniversary of the Date of Grant; provided that the Participant's Service has continued from the Date of Grant through each such date.

The undersigned Participant acknowledges that he or she has received a copy of this Time Restricted Stock Award Notice, the Time Restricted Stock Award Agreement and the Plan. As an express condition to the grant of the Award hereunder, the Participant agrees to be bound by the terms of this Time Restricted Stock Award Notice, the Time Restricted Stock Award Agreement and the Plan. The undersigned Participant further acknowledges that as of the Date of Grant, this Time Restricted Stock Award Notice, the Time Restricted Stock Award Agreement and the Plan set forth the entire understanding between the Participant and the Company regarding the award of stock in the Company and supersede all prior oral and written agreements on that subject with the exception of (i) awards previously granted and delivered to the Participant by the Company, and (ii) any agreements noted in an attachment to this Time Restricted Stock Award Notice.

BKV CORPORATION:	**PARTICIPANT:**
By: _____	_____
Name:	Date: _____
Title:	Address: _____
Date:	_____

TIME RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE
BKV CORPORATION 2021 EQUITY INCENTIVE PLAN

Pursuant to the Time Restricted Stock Unite Award Notice (the " **Award Notice**"), and subject to the terms of this Time Restricted Stock Unit Award Agreement (this "Agreement") and the BKV Corporation 2021 Equity Incentive Plan (the "**Plan**"), BKV Corporation, a Delaware corporation (the "**Company**"), and the Participant agree as follows. Capitalized terms not otherwise defined in this Agreement or in the Award Notice will have the same meanings as set forth in the Plan.

1. Award of Time Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant Time Restricted Stock Units, as set forth in the Award Notice, subject to adjustment as provide in the Plan, and each of which, if vested and earned pursuant to this Agreement, will be settled in one (1) share of the Company's common stock, $0.01 par value per share, ("**Common Stock**"), at the time and subject to the terms, conditions and restrictions set forth in this Agreement and the Plan (the "**Award Shares**").

2. Vesting.

(a) Vesting Schedule; Accelerated Vesting. Except as otherwise provided in this Section 2 or the Plan, the Time Restricted Stock Units will vest in the amounts and on the date(s) as indicated in the Vesting Schedule set forth in the Award Notice (each a "**TRSU Vesting Date**"), provided the Participant remains in the Service of the Company or Subsidiary through the applicable TRSU Vesting Date. In addition, all non-vested Time Restricted Stock Units that have not been forfeited shall vest upon an initial public offering of the Company's shares of Common Stock or a Change in Control of the Company, provided the Participant remains in the Service of the Company or a Subsidiary through such date. Subject to the limitations contained herein and in the Plan, upon Participant's termination of Service from the Company and all Subsidiaries the Time Restricted Stock Units that have not vested as of the date of such termination shall be forfeited and terminate; provided, however, that upon a Participant's termination of Service, the Committee may, in its sole discretion cause any Time Restricted Stock Units then held by such Participant to terminate, vest or become free of restrictions and conditions to payment, in each case in the manner determined by the Committee; provided, further, that any such action adversely affecting any outstanding Incentive Award may not be effective without the consent of the affected Participant (subject to the right of the Committee to take whatever action it deems appropriate under Sections 3.2(c), 7.3 and 9 of the Plan).

(b) Forfeiture Events. If the Participant is determined by the Committee, acting in its sole discretion, to have taken any action that would constitute Cause or an Adverse Action, irrespective of whether such action or the Committee's determination occurs before or after termination of the Participant's Service and irrespective of whether or not the Participant was terminated for Cause: (i) all rights of the Participant under this Agreement and the Plan will terminate and be forfeited without notice of any kind; and (ii) the Committee, in its sole discretion, may require the Participant to surrender and return to the Company all or any shares of Common Stock received, or to disgorge all or any profits or any other economic value (however defined by the Committee) made or realized by the Participant, during the period beginning one year prior to the Participant's termination of Service in connection with the Award Shares.

(c) Adjustment by Board. Notwithstanding anything herein to the contrary, the Board has reserved the right to reduce the amount of the settlement of a vested TRSU by up to 20% of the vested amount.

3. Settlement; Issuance of Common Stock.

(a) Timing and Manner of Settlement. Immediately following the vesting of Time Restricted Stock Units under Section 2, such vested Time Restricted Stock Units will be converted to shares of Common Stock which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan) within sixty (60) days following the TRSU Vesting Date, except to the extent that shares of Common Stock are withheld to pay tax withholding obligations pursuant to Section 2(b) of this Agreement.

(b) Withholding Taxes. Whenever any Time Restricted Stock Units granted under the terms of this Agreement vest and shares of Common Stock are issued in settlement thereof, the Participant is responsible to provide to the Company when due, the amount necessary for the Company to satisfy all of its federal, state and local withholding (including FICA) tax requirements relating to such taxable event. The Committee may, in its sole discretion and upon terms and conditions established by the Committee, permit or require the Participant to satisfy these withholding tax obligations in connection with the settlement of the Time Restricted Stock Units by withholding shares of Common Stock issuable upon settlement of the Time Restricted Stock Units. When withholding shares of Common Stock for taxes is effected under this Agreement and the Plan, it will be withheld only up to the amount the Company reasonably determines is necessary to satisfy any tax withholding obligation in the Participant's applicable tax jurisdiction.

4. Rights of Participant; Transferability.

(a) No Right to Continued Employment. Nothing in the Plan or in this Agreement confers upon the Participant any right to continue in the Service of the Company or any Subsidiary or interferes with or limits in any way the right of the Company or any Subsidiary to terminate the Service of the Participant at any time, with or without notice and with or without cause.

(b) Rights as a Stockholder. Except as otherwise provided in the Plan, notwithstanding any restrictions to which Time Restricted Stock Units may be subject, a Participant will have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued in settlement of earned Time Restricted Stock Units only upon the Participant becoming the holder of record of such shares as if such Participant were a holder of record of such shares.

(c) Dividends. The Participant will not receive any cash dividends or Dividend Equivalents based on the dividends declared on the Common Stock underlying the Time Restricted Stock Units during the period between the Grant Date and the date the earned Time Restricted Stock Units are settled in shares of Common Stock.

(d) Non-Transferability. Except as otherwise expressly permitted by the Plan, unless approved by the Committee in its sole discretion, no right or interest of the Participant in the Award Shares prior to the vesting of an Award and issuance of the Award Shares, will be assignable or transferable, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise.

5. Purchase and Sale Rights Relating to Common Stock.

(a) Restriction on Transfer of Common Stock. Prior to an initial public offering of shares of Common Stock, a Participant (or the executor, administrator or other personal representative or other successor of a deceased Participant) may not sell, assign, transfer or otherwise dispose of Award Shares acquired pursuant to an Incentive Award to a third party without prior approval of such sale, assignment, transfer or disposition by the Committee or the Board. A Participant may transfer, for no value, vested Award Shares to a trust established by the Participant for estate planning purposes and controlled by the Participant.

(b) Repurchase Right. If a Participant is not a Founding Stockholder and the Participant either (A) commits any material breach of such Participant's employment agreement or service contract with the Company and either (1) that breach is not capable of being remedied or (2) if capable of remedy, the Participant does not remedy that breach as soon as possible and in any event within thirty (30) days of receiving a notice from the Company requiring the Participant to remedy that breach, or (B) the Participant's employment with the Company is terminated for any reason, including due to death or disability, the Company shall have the right, as determined by the Board, to repurchase all (and not less than all) of the vested shares of Common Stock acquired by the Participant under this Plan, in accordance with the terms of this Section 5(b):

(i) The selling price of the vested shares of Common Stock purchased by the Company pursuant to this Section 5(b) shall be equal to the Fair Market Value of such shares at the time of the repurchase.

(ii) The Company may exercise its election to acquire the Participant's vested shares of Common Stock by delivery of ninety (90) days' written notice to the Participant (or the Participant's beneficiary in the event of the Participant's death).

(iii) The closing of the purchase of the vested shares of Common Stock pursuant to this Section 5(b) shall take place at the principal office of the Company not later than thirty (30) days following receipt of such notice by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(iv) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's good title to, and the absence of liens on, such vested shares of Common Stock.

(v) The Company will pay the purchase price for the vested shares of Common Stock purchased by the Company under this Section 5(b) in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death)

(c) Put Right. In the event (A) the Participant's employment with the Company is terminated for any reason, including due to death or disability (but excluding by voluntary resignation by the Participant) or (B) the Participant's employment with the Company is terminated by virtue of the Participant's voluntary resignation after more than thirty-six (36) months have passed from the date of the first grant of an Incentive Award under the Plan to the Participant, and, in each case, the Company has not exercised its right under Section 5(b) to repurchase the Participant's shares of Common Stock the Participant (or the Participant's beneficiary in the event of death) shall have the right to elect to sell to the Company, and the Company shall be required to purchase from the Participant, all (and not less than all) of the vested Award Shares acquired by the Participant under the Plan, in accordance with the terms of this Section 5(c):

(i) The selling price of the vested Award Shares purchased by the Company pursuant to this Section 5(c) shall be equal to the Fair Market Value of such shares at the time of the election to sell.

(ii) The Participant (or the Participant's beneficiary in the event of the Participant's death) may exercise an election to sell vested Award Shares by delivery of thirty (30) days' written notice specifying the number of vested Award shares to be sold.

(iii) The closing of the purchase of vested Award Shares of Common Stock pursuant to this Section 5(c) shall take place to the principal office of the Company not later than thirty (30) days following receipt of such notice by the Company.

(iv) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's good title to, and the absence of liens on, such vested Award Shares.

(v) The Company will pay the purchase price for the vested Award Shares purchased by the Company under this Section 5(c) in cash, payable by wire transfer of immediately available funds to the bank account provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(d) Drag-Along Rights. If at any time BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of Common Stock, BNAC may require the participation of all (and not less than all) of the shares of Common Stock owned by the Participant in such sale in the manner set forth in this Section 5(d).

(i) BNAC shall exercise its rights pursuant to this Section 5(d) by delivering to the Company and each of the other Company stockholders a written notice (the "**Drag-along Notice**") of such proposed sale no later than fifteen (15) days prior to the proposed closing thereof. Any Drag-along Notice shall make reference to the Participants' obligations under this Section 5(d) and shall describe in reasonable detail:

(A) the number of shares of Common Stock to be sold by BNAC;

(B) the person to whom such shares of Common Stock are proposed to be sold;

(C) the material terms and conditions of the sale, including the consideration to be paid; and

(D) the proposed date, time and location of the closing of the sale.

(ii) In any sale is subject to this Section 5(d), each of the Participants shall agree to sell all (and not less than all) of the shares of Common Stock owned by the Participant, free and clear of any liens and on the same terms and conditions as BNAC in such sale.

(iii) If BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of the Company's Common Stock pursuant to this Section 5(d), the Participants shall agree to consent to and not object to or exercise any appraisal or dissenters' rights in connection with such

transaction. Without limiting the foregoing, each of the Participants will agree, if requested by BNAC, to execute and deliver a power of attorney and custody agreement, in form and substance satisfactory to BNAC, with respect to the shares of Common Stock that are to be included by them in any sale pursuant to this Section 5(d). The power of attorney and custody agreement will provide, among other things, that each such Participant will:

(A) deliver to and deposit into custody with BNAC, named as the custodian therein, a certificate or certificates representing such shares of Common Stock (duly endorsed in blank by the owner or owners thereof or accompanied by duly endorsed stock powers in blank); and

(B) irrevocably appoint BNAC as such stockholder's agent and attorney-in-fact with full power to act thereunder on behalf of such stockholder with respect to the matters specified therein.

(iv) Each Participant shall fully cooperate with BNAC and shall take all necessary actions to effectuate the sale of shares of Common Stock pursuant to this Section 5(d), including entering into such agreements and delivering such certificates and instruments, as may be reasonably requested from time to time by BNAC, provided that no Participant shall be:

(A) liable for any indemnification obligations to any potential purchaser in respect of such representations and warranties on a joint, rather than several, basis, and in no event with respect to an amount in excess of the net cash proceeds to be paid to such stockholder in such transaction; and

(B) subject to any escrow or similar arrangement relating to such transaction with respect to an amount in excess of the net cash proceeds to be paid to such other stockholders in such transaction.

(v) Each of the Participants participating in the sale of shares of Common Stock by BNAC under this Section 5(d) shall be paid a consideration (on a per share of Common Stock basis) on the same terms and conditions as BNAC in such sale.

(e) Holding Period.

(i) The Participant (or beneficiary following the Participant's death) who receives shares of the Company's Common Stock in settlement of a vested TRSU may not exercise the right to put such shares of Common Stock to the Company for repurchase under Section 5(c) of this Agreement or tender such shares of Common Stock to the Company for purchase under Section 5(f) of this Agreement prior to the date that is 181 days following the applicable TRSU Vesting Date.

(ii) The Company's right to repurchase shares of the Company's Common Stock under Section 5(b) of this Agreement may not be exercised by the Company prior to the date that is 181 days following the applicable TRSU Vesting Date.

(f) Sell Fund Repurchase Program. The Participant (or beneficiary following the Participant's death) who receives shares of the Company's Common Stock in settlement of a vested TRSU, shall have the right, subject to the holding requirement of Section 5(e) of this Agreement, to tender such shares for repurchase by the Company in accordance with and subject to the limits and other requirements established under the Company's Sell Fund Repurchase Program, as in effect from time to time.

6. Change in Control.

(a) Acceleration; Alternative Treatment. If a Change in Control of the Company occurs, then, except to the extent that an equivalent or substituted Award is provided to the Participant to replace the Award pursuant to Section 9.2(b) of the Plan, or unless otherwise provided by the Committee in its sole discretion at any time on or after the Date of Grant, the Award Shares will vest immediately and become non-forfeitable, regardless of whether the Participant remains in the employ or service of the Company or any Subsidiary or any acquiring entity or successor to the Company. In connection with a Change in Control, the Committee in its sole discretion, in lieu of providing an equivalent or substituted Award to the Participant, may determine that all or any portion of the Award and corresponding Award Shares, whether or not vested, will be terminated and forfeited and that in connection with such termination the Participant will receive for each Award Share a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities with a fair market value (as determined by the Committee in good faith) equivalent to such cash payment) equal to the difference, if any, between the consideration received by stockholders of the Company in respect of a share of Common Stock in connection with such Change in Control and the purchase price per share, if any, under the Award, multiplied by the number of Award Shares subject to the grant; provided, however, that if such product is zero ($0) or less, the Award may be canceled and terminated without payment therefor.

(b) Stockholders' Representative. In connection with any Change in Control, the Participant agrees that (i) any Stockholders' Representative appointed by the Company's stockholders in connection with such Change in Control shall, without any further authorization or other action by the Participant, be appointed as such Participant's representative and attorney-in-fact in connection with such Change in Control on the same terms and to the same extent as such Stockholders' Representative is appointed by the Company's stockholders in connection with such Change in Control and (ii) the Participant will execute promptly on request of the Company any documents the Company deems necessary or desirable to provide further assurance of the foregoing appointment.

7. Securities Laws Restrictions.

(a) General Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company will not be required to issue any shares of Common Stock pursuant to the Award, and the Participant may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to the Award: (i) unless there is in effect with respect to such shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws; (ii) unless there has been obtained any other consent, approval or permit from any other U.S. or foreign regulatory body which the Committee, in its sole discretion, deems necessary or advisable; and (iii) if at any time at which the Company is not required to file reports with the SEC pursuant to Sections 12(b), 12(g) or 15(d) of the Exchange Act or the rules and regulations thereunder, such issuance, sale or transfer would cause the number of stockholders of the Company to increase such that the Company would be within ten (10) stockholders of the number that would cause the Company to be required to file reports with the SEC pursuant to Sections 12(g) or 15(d) of the Exchange Act and the rules and regulations thereunder. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

(b) Market Stand-Off Restrictions. The Participant agrees that, for a 180-day period following the effective date of a registration of the Company's securities under the Securities Act, and subject to the terms and conditions of Section 11.2 of the Plan, the Participant will not, without the prior written consent of the Company or the representative(s) of any underwriters, (i) sell, pledge, offer to sell, contract to sell (including any short sale), sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Participant or are thereafter acquired); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise.

8. Miscellaneous.

(a) Award Shares Subject to the Plan. This Time Restricted Stock Award Agreement and the shares of Common Stock granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and the Participant, by execution of the Time Restricted Stock Award Notice, acknowledges having received a copy of the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement will be interpreted by reference to the Plan. If any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan will prevail.

(b) Section 409A. It is intended that payments under this Agreement qualify as short-term deferrals exempt from the requirements of Section 409A of the Code. This Agreement shall be construed and administer to give full effect to such intention

(c) Binding Effect. This Agreement will be binding upon and inure to the benefit of the successors and permitted assigns of the parties to this Agreement.

(d) Governing Law and Venue. This Agreement and all rights and obligations under this Agreement will be construed in accordance with the Plan and governed by the laws of the State of New York, without regard to conflicts of law provisions of any jurisdiction. Any legal proceeding related to this Agreement will be brought in an appropriate New York court, and the parties to this Agreement consent to the exclusive jurisdiction of the court for this purpose.

(e) Entire Agreement. This Agreement, the Time Restricted Stock Award Notice and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the award of Award Shares and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the award of the Award Shares and the administration of the Plan.

(f) Amendment and Waiver. Other than as provided in the Plan, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance.

(g) Construction. Wherever possible, each provision of this Agreement will be interpreted so that it is valid under the applicable law. If any provision of this Agreement is to any extent invalid under the applicable law, such provision will still be effective to the extent it remains valid. The remainder of this Agreement also will continue to be valid, and the entire Agreement will continue to be valid in other jurisdictions.

(h) Electronic Delivery of Documents. The Company may, in its sole discretion, deliver any documents related to this Agreement by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line system established and maintained by the Company or a third-party vendor designated by the Company.

Exhibit 10.11

BKV CORPORATION
2020 EMPLOYEE STOCK PURCHASE PLAN
(ADOPTED BY THE BOARD OF DIRECTORS ON JULY 16, 2020)

1. General.

1.1 Purpose of Plan. This BKV Corporation 2020 Employee Stock Purchase Plan (the " Plan") is intended to provide Eligible Employees of the Company with the opportunity to acquire an ownership interest in the Company through the purchase of shares of Common Stock from the Company.

1.2 Effective Date. The Plan is effective as of July 1, 2020 (the " Effective Date") and shall be valid until the date of admission to a United States securities exchange of all or any part of the Common Stock capital or depository receipts (or the equivalent) representing common stock of the Company.

1.3 Status of Plan. The Plan is not intended to be a qualified employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code") and is not intended to be subject to the provisions of the Employee Retirement Income Security Act of 1974 (" ERISA"). The Plan is intended to be exempt from the requirements of Section 409A of the Code and the Plan and any Stock Purchase Agreement granted under the Plan will be construed and administered to give full effect to such intention.

2. Definitions. Whenever used herein, the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context. Terms defined elsewhere in the Plan will have the same meanings throughout the Plan.

2.1 BNAC. "BNAC" means BANPU North America Corporation, a Delaware corporation.

2.2 Board. "Board" means the Board of Directors of the Company.

2.3 Committee. As used in the Plan, "Committee" means the committee administering the Plan, as provided in Section 7.1 of the Plan.

2.4 Common Stock. "Common Stock" means the common stock of the Company, at a par value per share $0.01.

2.5 Company. "Company" means BKV Corporation, a Delaware corporation.

2.6 Eligible Employee. An "Eligible Employee" means any Employee of the Company who (i) has been employed by the Company for at least twelve (12) consecutive months and (ii) is customarily scheduled to work at least forty (40) hours per week.

2.7 Employee. "Employee" means any individual treated as an employee in the records of the Company (including an officer or a Director of the Company who is also treated as an employee in such records). The Committee will determine in good faith and in the exercise of its sole discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the terms of the Plan as of the time of the Committee's determination of whether or not the individual is an Employee, all such determinations by the Committee will be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

2.8 Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended. Any reference to a section of the Exchange Act in the Plan will be deemed to include a reference to any applicable rules and regulations issued thereunder.

2.9 Fair Market Value. "Fair Market Value" means, with respect to the Common Stock, as of any date: (a) the closing sale price of the Common Stock as of such date at the end of the regular trading session, as reported on any national securities exchange on which the Common Stock is then listed (or, if no shares were traded on such date, as of the next preceding date on which there was such a trade); or (b) if the Common Stock is not so listed as described in (a) above, such price as the Committee determines in good faith to be the fair market value, on a per share of Common Stock basis, at which a willing seller would sell, and a willing buyer would buy, the Common Stock having full knowledge of all relevant facts, in an arm's length transaction, without taking into account the minority ownership interest of any shares of Common Stock and the rights associated with any minority ownership interest. The Fair Market Value of the shares of Common Stock as described in (b) above shall be determined each Financial Year by the Committee using the independent and impartial valuation of the Company's Common Stock performed at least annually by Guggenheim Securities, LLC (or by another independent and impartial valuation firm selected by the Committee and subject to the approval of the Board). Such Fair Market Value shall apply during the Financial Year in which it is obtained or until a new valuation is performed for the Committee's determination of the Fair Market Value. For the avoidance of doubt, during the period as from the adopted date hereof that the Company does not have a Fair Market Value determination as described in subpart (b) above, the Fair Market Value shall be $10.00 per share of Common Stock and will apply until the valuation is performed for the Committee's first determination of the Fair Market Value.

2.10 Financial Year. "Financial Year" means a financial year of the Company.

2.11 Insolvency Event. "Insolvency Event" means, in relation to a Participant, (i) the Participant entering into or resolving to enter into any assignment for the benefit of creditor, including any arrangement, composition or compromise with such creditor, or any class of them in any relevant jurisdiction, (ii) the Participant being unable to pay its debts when they are due, having its liabilities greater than its assets, or being deemed under any statutory provision of any relevant jurisdiction to be insolvent, or (iii) a liquidator or provisional liquidator being appointed for the Participant or a receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertakings of the Participant, or an event analogous with any such event occurring in any relevant jurisdiction.

2.12 Founding Stockholder. “Founding Stockholder” means a Participant who is a party to the Stockholders’ Agreement.

2.13 Participant. “Participant” means each Eligible Employee who participates in this Plan by execution of a Stock Purchase Agreement issued to such Employee under the Plan.

2.14 Plan. “Plan” means the BKV Corporation 2020 Employee Stock Purchase Plan, as set forth herein and may hereafter be amended.

2.15 Securities Act. “Securities Act” means the Securities Act of 1933, as amended. Any reference to a section of the Securities Act in the Plan will be deemed to include a reference to any applicable rules and regulations thereunder.

2.16 Stockholders’ Agreement. “Stockholders’ Agreement” means that certain Stockholders’ Agreement dated May 1, 2020 by and among BNAC, the Company and the Founding Stockholders as listed therein as parties thereto.

2.17 Stock Purchase Account. “Stock Purchase Account” means a non-interest bearing account consisting of all amounts deposited by a Participant Compensation for the purpose of purchasing shares of Common Stock for such Participant under the Plan reduced by all amounts applied to the purchase of shares of Common Stock for such Participant under the Plan. The amounts received from a Participant shall be deposited with the general funds of the Company. No interest shall be paid or payable with respect to any amount held in any Participant's Stock Purchase Account.

2.18 Stock Purchase Agreement. “Stock Purchase Agreement” means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the offer to purchase shares of Common Stock granted to the Participant under the Plan.

3. Participation.

Participants in the Plan will be those Eligible Employees who, in the judgment of the CEO of the Company, have contributed, are contributing or are expected to contribute to the achievement of economic objectives of the Company and are not in material breach of their respective employment agreements or service contracts with the Company or the work rules or internal policies of the Company established by the Board from time to time. Eligible Employees may be granted from time to time the right to purchase shares of Common Stock under the Plan, as may be determined by the CEO of the Company in his sole discretion.

4. Stock Purchase.

4.1 Reservation of Shares. There shall be 7,470,588 shares of Common Stock reserved for the Plan. Subject to adjustment in accordance with the anti-dilution provisions of Section 5, the aggregate number of shares that may be purchased under the Plan shall not exceed the number of shares reserved for the Plan. The shares will be treasury or newly issued shares of Common Stock.

4.2 Grant of Purchase Right. An Eligible Employee who the CEO of the Company determines has satisfied the requirements set forth in Section 3 may be granted the right to purchase shares of Common Stock under the Plan, pursuant to the terms of a Stock Purchase Agreement issued by the Company to such Eligible Employee. The Committee shall require the payment by the Participant of a specified purchase price in connection with a grant of the right to purchase shares of Common Stock.

4.3 Purchase Price of Shares. The purchase price at which shares of Common Stock shall be sold to a Participant under the Plan shall not be less than the greater of (i) ten dollars ($10.00) per share of Common Stock or (ii) the Fair Market Value of the shares of Common Stock as determined under Section 2.9.

4.4 Exercise of Purchase Right; Payment for Shares of Common Stock. Subject to any limitations imposed by the Committee or the Plan on the number of shares of Common Stock available for purchase by a Participant, the Company will issue to the Participant, pursuant to the terms of a Stock Purchase Agreement, the number of shares of Common Stock as can be purchased with the amount then standing to the Participant’s credit in the Stock Purchase Account. The purchase price for all shares of Common Stock purchased by a Participant pursuant to a Stock Purchase Agreement shall be paid out of the Participant’s Stock Purchase Account. Any remaining balance standing to the Participant’s credit in the Stock Purchase Account following the closing of a purchase, shall be refunded by the Company to the Participant within thirty (30) days of such closing date. No interest shall be paid on payable with respect to any amount held in the Participant’s Stock Purchase Account.

4.5 Establishment of Stock Purchase Account. Each Participant shall deposit funds with the Company for the purpose of funding such Participant’s Stock Purchase Account.

4.6 Stock Ownership. A Participant will have all voting, dividend, liquidation and other rights with respect to shares of Common Stock upon the Participant becoming the holder of record of such shares of Common Stock on the close of business on the purchase date for such shares.

4.7 Issuance of Certificates to a Participant. As soon as reasonably practicable after each purchase date, the Company will arrange for the delivery to each Participant certificates representing the shares of Common Stock purchased, which certificates may be issued electronically via Carta.

5. Special Adjustment - Anti-Dilution Provision.

The aggregate number of shares of Common Stock reserved for purchase under the Plan, as hereinabove provided in Section 4.1, and the calculation of the Fair Market Value per share of Common Stock may be appropriately adjusted to reflect any increase or decrease in the number of issued shares of

Common Stock resulting from a subdivision or consolidation of shares or other capital adjustment, or the payment of a stock dividend, or other increase or decrease in such shares, if effected without receipt of consideration by the Company. Any such adjustment shall be made by the Committee acting with the prior consent of, and subject to the approval of, the Board of Directors.

6. Stock Purchase and Sale Rights .

6.1 Put Right. In the event a Participant's employment with the Company is terminated for any reason, including, without limitation, due to resignation, death or a disability that renders such Participant incapable of continued employment in his or her current position and the carrying out of the normal duties for that position, as certified by a medical professional, and the Company has not exercised its right under Section 6.2 to repurchase the shares of Common Stock, the Participant (or the Participant's beneficiary in the event of death) shall have the right to elect to sell to the Company, and the Company shall be required to purchase from the Participant, all (and not less than all) of the shares of Common Stock acquired by the Participant under the Plan, in accordance with the terms of this Section 6.1:

(a) The selling price of the shares of Common Stock to be purchased by the Company pursuant to this Section 6.1 shall be equal to the Fair Market Value of such shares at the time the election to sell is made.

(b) The Participant (or the Participant's beneficiary in the event of the Participant's death) may exercise an election to sell shares of Common Stock by delivery of prior written notice to the Company no later than thirty (30) days following such termination of employment.

(c) The closing of the purchase of shares of Common Stock pursuant to this Section 6.1 shall take place to the principal office of the Company not later than thirty (30) days following receipt of such notice by the Company.

(d) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's due capacity and authority, good legal and beneficial title to, and the absence of liens on, such shares.

(e) The Company will pay the purchase price for the shares of Common Stock purchased by the Company under this Section 6.1 in cash, payable by wire transfer of immediately available funds to the bank account of the Participant (or the Participant's beneficiary in the event of the Participant's death) provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death) prior to the closing date.

6.2 Repurchase Right. If a Participant either (i) commits any material breach under such Participant's employment agreement or service contract with the Company (or, in case of a Founding Stockholder, commits any material breach under the Stockholders' Agreement) and either (1) that breach is not capable of being remedied or (2) if capable of remedy, the Participant does not remedy that breach as soon as possible and in any event within thirty (30) days of receiving a notice from the Company requiring the Participant to remedy that breach; or (ii) becomes or is reasonably expected to become, subject to an Insolvency Event; or (iii) the Participant's employment with the Company is terminated for any reason, including, without limitation, due to resignation, death or a disability that renders such Participant incapable of continued employment in his or her current position and carrying out the normal duties for that position, as certified by a medical professional, the Company shall have the right, as determined by the Board, to repurchase, and the Participant (or the Participant's beneficiary in the event of the Participant's death) shall be required to sell to the Company all (and not less than all) of the shares of Common Stock acquired by the Participant under this Plan, in accordance with the terms of this Section 6.2:

(a) The selling price of the shares of Common Stock to be purchased by the Company pursuant to this Section 6.2 shall be equal to the Fair Market Value of such shares at the time of the repurchase.

(b) The Company may exercise its election to acquire the Participant's shares of Common Stock by delivery of prior written notice to the Participant (or the Participant's beneficiary in the event of the Participant's death) no later than ninety (90) days following the occurrence of an event described above in the first paragraph of this Section 6.2.

(c) The closing of the purchase of the shares of Common Stock pursuant to this Section 6.2 shall take place at the principal office of the Company not later than thirty (30) days following receipt of such notice by the Participant (or the Participant's beneficiary in the event of the Participant's death).

(d) The Participant (or the Participant's beneficiary in the event of the Participant's death) shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's due capacity and authority, good legal and beneficial title to, and the absence of liens on, such shares of Common Stock.

(e) The Company will pay the purchase price for the shares of Common Stock purchased by the Company under this Section 6.2 in cash, payable by wire transfer of immediately available funds to the bank account of the Participant (or the Participant's beneficiary in the event of the Participant's death) provided to the Company by the Participant (or the Participant's beneficiary in the event of the Participant's death) prior to the closing date.

6.3 Right of First Refusal. In addition to the restrictions on transfer set forth in Sections 8.1 and 8.6, if any Participant (or the Participant's successor in the event of the Participant's death) who has received shares of Common Stock under the Plan (the "**Selling Participant**") shall, at any time, desire to sell some or all of such shares (the "**Offered Shares**") to a third party (the "**Third Party**") on price, terms and conditions agreed with such Third Party and receives prior written approval from the Board for such a sale, the Selling Participant shall give written notice of such desire to the Company, which notice shall contain the number of Offered Shares, the agreed price, terms and conditions of the sale and the names and addresses of both the Selling Participant and such Third Party. The Company shall have the right of first refusal for a period of thirty (30) days following the date the Selling Participant gives such written notice to the Company to acquire the Offered Shares, in accordance with the terms of this Section 6.3:

(a) The selling price, terms and conditions shall be the same as agreed with such Third Party.

(b) If the Company does not exercise its right of first refusal within the required thirty (30) day period provided above, the Selling Participant shall have the right, at any time following the expiration of such thirty (30) day period, to dispose of the Offered Shares to such Third Party; *provided, however*, that (i) no disposition shall be made to such Third Party on price, terms and conditions more favorable to the Third Party than those set forth in the written notice delivered by the Selling Participant above, and (ii) if such disposition shall not be made within thirty (30) days following the expiration of such thirty (30) day period to such Third Party on the terms offered to the Company, the Offered Shares shall again be subject to the right of first refusal set forth above.

(c) The closing pursuant to the exercise of the right of first refusal under this Section 6.3 shall take place shall take place to the principal office of the Company not later than thirty (30) days following receipt of such notice by the Selling Participant of the Company's exercise of the right of first refusal. At such closing, the Selling Participant shall deliver certificates representing the Offered Shares duly endorsed in blank for transfer, or with stock powers attached duly executed in blank, and the Company shall deliver to the Selling Participant the purchase price for the Offered Shares purchased by the Company under this Section 6.3 in cash, payable by wire transfer of immediately available funds to the bank account of the Selling Participant provided to the Company by the Selling Participant prior to the closing date.

(d) The Selling Participant shall make such customary representations and warranties as may be reasonably requested by the Company regarding such seller's due capacity and authority, good legal and beneficial title to, and the absence of liens on, such Offered Shares.

6.4 Drag-Along Rights. If at any time BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of Common Stock, BNAC (and BNAC alone) may require the participation of all (and not less than all) of the shares of Common Stock owned by the Participant (other than a Participant who is a Founding Stockholder subject to the drag-along rights under the Stockholders' Agreement) in such sale in the manner set forth in this Section 6.4.

(a) BNAC shall exercise its rights pursuant to this Section 6.4 by delivering to the Company and each of the other Company stockholders a written notice (the "Drag-along Notice") of such proposed sale no later than fifteen (15) days prior to the proposed closing thereof. Any Drag-along Notice shall make reference to the Participants' obligations under this Section 6.4 and shall describe in reasonable detail:

(i) the number of shares of Common Stock to be sold by BNAC;

(ii) the person to whom such shares of Common Stock are proposed to be sold;

(iii) the material terms and conditions of the sale, including the consideration to be paid; and

(iv) the proposed date, time and location of the closing of the sale.

(b) In any sale is subject to this Section 6.4 each of the Participants shall agree to sell all (and not less than all) of the shares of Common Stock owned by the Participant, free and clear of any liens and on the same terms and conditions as BNAC in such sale.

(c) If BNAC (alone or together with any of the other Company stockholders) proposes to effect the sale of shares of Common Stock representing more than eighty percent (80%) of the total issued and outstanding shares of the Company's Common Stock pursuant to this Section 6.4, the Participants shall consent to and not object to or exercise any appraisal or dissenters' rights in connection with such transaction. Without limiting the foregoing, each of the Participants shall, if requested by BNAC, execute and deliver a power of attorney and custody agreement, in form and substance satisfactory to BNAC, with respect to the shares of Common Stock that are to be included by them in any sale pursuant to this Section 6.4. The power of attorney and custody agreement will provide, among other things, that each such Participant will:

(i) deliver to and deposit into custody with BNAC, named as the custodian therein, a certificate or certificates representing such shares of Common Stock (duly endorsed in blank by the owner or owners thereof or accompanied by duly endorsed stock powers in blank); and

(ii) irrevocably appoint BNAC as such stockholder's agent and attorney-in-fact with full power to act thereunder on behalf of such stockholder with respect to the matters specified therein.

(d) Each Participant shall fully cooperate with BNAC and shall take all necessary actions to effectuate the sale of shares of Common Stock pursuant to this Section 6.4, including entering into such agreements and delivering such certificates and instruments, as may be reasonably requested from time to time by BNAC, provided that no Participant shall be:

(i) liable for any indemnification obligations to any potential purchaser in respect of such representations and warranties on a joint, rather than several, basis, and in no event with respect to an amount in excess of the net cash proceeds to be paid to such stockholder in such

transaction; and

(ii) subject to any escrow or similar arrangement relating to such transaction with respect to an amount in excess of the net cash proceeds to be paid to such other stockholders in such transaction.

(e) Each of the Participants participating in the sale of shares of Common Stock by BNAC under this Section 6.4 shall be paid a consideration (on a per share of Common Stock basis) on the same terms and conditions as BNAC in such sale.

6.5 Tax Matters. By execution of a Stock Purchase Agreement, the Participant expressly acknowledges and agrees that neither the Company, BNAC nor any of their respective agents, makes any representations on behalf of the Company or BNAC with respect to the tax treatment of any transaction contemplated under Section 6. The Participant (or the Participant's beneficiary in the event of the Participant's death) shall be solely responsible for the payment of any and all income, transfer and other taxes, filing and recording fees and similar charges relating to any transaction contemplated under this Section 6.

7. Plan Administration.

7.1 The Committee. The Plan will be administered by the Compensation Committee established by the Board or by the Board if such Compensation Committee is dissolved. Such a committee, if established, will act by simple majority approval of the members (but may also take action by the written consent of a simple majority of the members of such committee), and any simple majority of the members of such a committee will constitute a quorum.

7.2 Authority of the Committee. The Committee shall have the authority and power to administer the Plan and to make, adopt, construe, and enforce rules and regulations not inconsistent with the provisions of the Plan. In addition, the Committee shall adopt and prescribe the contents of all forms required in connection with the administration of the Plan. To the extent consistent with the applicable corporate law of the Company's jurisdiction of incorporation, the Committee may delegate to any officers of the Company the duties, power and authority of the Committee under the Plan in accordance with such conditions or limitations as the Committee or Board may establish. The Committee may exercise its duties, power and authority under the Plan in its sole and absolute discretion without the consent of any Participant or other party, unless the Plan specifically provides otherwise. The Committee will not be obligated to treat Participants or Eligible Employees uniformly, and determinations made under the Plan may be made by the Committee selectively among Participants or Eligible Employees, whether or not such Participants and Eligible Employees are similarly situated. Each determination, interpretation or other action made or taken by the Committee pursuant to the provisions of the Plan, including the determination of Eligible Employee or Fair Market Value, will be final, conclusive and binding for all purposes and on all persons, including the Company, the stockholders of the Company, the Participants and their respective heirs, transferees, assigns and other successors-in-interest. No member of the Board or the Committee will be liable for any action or determination made in good faith with respect to the Plan or any Stock Purchase Agreement issued under the Plan, including any determination regarding current Fair Market Values of the shares of Common Stock that is made in good faith.

8. Miscellaneous.

8.1 Non-Alienation; Restrictions on Transfer. The right to purchase shares of Common Stock pursuant to a Stock Purchase Agreement issued under the Plan is personal to the Participant, is exercisable only by the Participant during the Participant's lifetime while employed, except as hereinafter set forth, and may not be assigned or otherwise transferred by the Participant. Notwithstanding the foregoing, there shall be delivered to the executor, administrator or other personal representative of a deceased Participant such shares of Common Stock and such residual balance as may remain in the Participant's Stock Purchase Account as of the time the Company becomes aware of the Participant's death, including shares of Common Stock purchased as of that date or prior thereto with moneys deposited in the Participant's Stock Purchase Account. In addition, prior to an initial public offering of shares of Common Stock, a Participant (or the executor, administrator or other personal representative or other successor of a deceased Participant) may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to the right to purchase shares of Common Stock granted under the Plan to a third party without prior approval of such sale, assignment, transfer or disposition by the Committee or the Board.

8.2 No Right to Continued Employment. Nothing in the Plan confers upon any Eligible Employee or Participant any right to continue in the employment of the Company or interferes with or limits in any way the right of the Company to terminate the employment of any Eligible Employee or Participant at any time, with or without notice and with or without cause, subject to the terms of such Employee's employment agreement or service contract, if any.

8.3 Governing Law and Venue. The validity, construction, interpretation, administration and effect of the Plan and any rules, regulations and actions relating to the Plan will be governed by and construed exclusively in accordance with the laws of the State of New York, notwithstanding the conflicts of laws principles thereunder or under any jurisdiction that would cause the application of the laws of any jurisdiction other than the State of New York. Any legal proceeding related to the Plan will be brought in an appropriate New York court, and the parties to any Stock Purchase Agreement consent to the exclusive jurisdiction of the court for this purpose.

8.4 Successors and Assigns. The Plan will be binding upon and inure to the benefit of the successors and permitted assigns of the Company and the Participants.

8.5 Non-Exclusivity of the Plan. Nothing contained in the Plan is intended to modify or rescind any previously approved compensation plans or programs of the Company or create any limitations on the power or authority of the Board to adopt such additional or other compensation arrangements as the Board may deem necessary or desirable.

8.6 Securities Law Restrictions.

(a) Securities Law Restrictions. Notwithstanding any other provision of the Plan or any Stock Purchase Agreement, the Company will not be required to issue any shares of Common Stock under the Plan, and a Participant may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to the right to purchase shares of Common Stock granted under the Plan: (i) unless there is in effect with respect to such shares a registration statement under the Securities Act and any applicable securities laws of a state or foreign jurisdiction or an exemption from such registration under the Securities Act and applicable state or foreign securities laws; (ii) unless there has been obtained any other consent, approval or permit from any other U.S. or foreign regulatory body which the Committee, in its sole discretion, deems necessary or advisable; and (iii) if at any time at which the Company is not required to file reports with the Securities and Exchange Commission (the "SEC") pursuant to Sections 12(b), 12(g) or 15(d) of the Exchange Act or the rules and regulations thereunder, such issuance, sale or transfer would cause the number of stockholders of the Company to increase such that the Company would be within ten (10) stockholders of the number that would cause the Company to be required to file reports with the SEC pursuant to Sections 12(g) or 15(d) of the Exchange Act and the rules and regulations thereunder. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

(b) "Market Stand-Off" Restrictions. Except as otherwise approved by the Committee, the shares of Common Stock acquired in connection with the grant of the right to purchase shares of Common Stock under the Plan will be restricted following the effective date of a registration of the Company's securities under the Securities Act, and the holder thereof will not, without the prior written consent of the Company or the representative(s) of any underwriters, (i) sell, pledge, offer to sell, contract to sell (including any short sale), sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Participant who exercised such Option or are thereafter acquired); or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The provisions of this Section 8.6(b) will not apply (w) unless the executive officers and directors of the Company have agreed to be bound by substantially the same terms and conditions; (x) to public offerings other than the Company's initial public offering and any public offering made within two (2) years thereafter; (y) to registrations relating solely to securities in connection with employee benefit plans or in connection with mergers, consolidations, reorganizations, or other transactions pursuant Rule 145 under the Securities Act; or (z) to transfers to donees who agree to be similarly bound. The time period for such market stand-off will be determined by the Company and the representative(s) of any underwriters but will in no event exceed one hundred eighty (180) days from the date of the final prospectus with respect to the applicable public offering. The Company may impose stop-transfer instructions during such stand-off period with respect to the shares of Common Stock subject to this restriction if necessary to enforce such restrictions. The underwriters in connection with any such public offering are intended third party beneficiaries of this Section 8.6(b) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

8.7 Plan Amendment, Modification and Termination. The Board may amend, modify, suspend or terminate the Plan or any portion thereof at any time, except that no amendment may accomplish any of the following without the approval of the Corporation's stockholders:

(a) increase the number of shares reserved for purposes of the Plan; or

(b) allow any person who is not an Eligible Employee to become a Participant.

8.8 Construction. Wherever possible, each provision of the Plan and any Stock Purchase Agreement will be interpreted so that it is valid under the applicable law. If any provision of the Plan or any Stock Purchase Agreement is to any extent invalid under the applicable law, that provision will still be effective to the extent it remains valid. The remainder of the Plan and the Stock Purchase Agreement also will continue to be valid, and the entire Plan and Stock Purchase Agreement will continue to be valid in other jurisdictions.

Exhibit 10.12

FIRST AMENDMENT
TO THE
BKV CORPORATION
2020 EMPLOYEE STOCK PURCHASE PLAN
(ADOPTED BY THE BOARD OF DIRECTORS ON JULY 16, 2020)

This First Amendment (this "**Amendment**") to the BKV Corporation 2020 Employee Stock Purchase Plan (the " **Plan**") is made by BKV Corporation (the "**Company**") this 5th day of November, 2021.

WHEREAS, the Company wishes, for accounting purposes, to treat the sale of shares of the Company's Common Stock under the Plan as equity rather than debt, which requires that (i) Participants not be able to exercise their put or tender rights under the Plan for at least 181 days following the date on which such shares were acquired (the "**Holding Period**"), (ii) the Company may not exercise its right to purchase shares of Common Stock from Participants (and beneficiaries) prior to the end of the Holding Period, and (iii) a fair market value determination made quarterly to the extent necessary to affect transactions during the year; and

WHEREAS, the Company wishes to amend the Plan (i) to impose the requirement that a Participant (or beneficiary following the Participant's death) may not exercise their right to put or tender for repurchase any shares acquired by such Participant under the Plan prior to the end of the Holding Period, (ii) to require a fair market value determination made quarterly to the extent necessary to affect transactions occurring during the year, and (iii) to prohibit the Company from exercising its right to purchase from the Participant (or beneficiary) shares acquired by such Participant (or beneficiary) prior to the date that is 181 days following the date the Participant became vested in the right to receive a share of the Company's Common Stock; and

WHEREAS, the Company desires to expand the Plan's eligibility requirements on a prospective basis to include non-employee directors of the Company's Board and employees of BANPU North America Corporation so that they may be given the opportunity to purchase Common Stock under the Plan in the same manner as Eligible Employees currently enjoy, subject to approval of the Company's stockholders as required by Section 8.7 of the Plan.

NOW THEREFORE, the Plan is amended as follows:

Changes to Ensure Equity Treatment for Accounting Purposes

1. Section 2.9 of the Plan regarding the definition of "Fair Market Value" is amended and restated effective as of the 5 th day of November, 2021 to read as follows:

2.9 Fair Market Value. " Fair Market Value" means, with respect to the Common Stock, as of any date: (a) the closing sale price of the Common Stock as of such date at the end of the regular trading session, as reported on any national securities exchange on which the Common Stock is then listed (or, if no shares were traded on such date, as of the next preceding date on which there was such a trade); or (b) if the Common Stock is not so listed as described in above, the price, on a per share of the Common Stock basis, at which a willing seller would sell, and a willing buyer would buy, the Common Stock having full knowledge of all relevant facts, in an arm's length transaction without taking into account the minority ownership interest of any shares of the Common Stock and the rights associated with any minority ownership interest hereunder. For all purposes under this Plan (including as to taxation), the fair market value of the Common Stock as described in (b) above shall be determined quarterly, if needed for transaction occurring during the Financial Year, by the Committee using the independent and impartial valuation of the Common Stock performed, on an annual basis, by Guggenheim Securities, LLC, with interim valuations based on the methodologies established in such annual Guggenheim Securities, LLC valuation prepared by the Company or a third party with valuation expertise. The annual valuation may be performed by an independent and impartial appraiser approved by the Board other than Guggenheim Securities, LLC if its fees are not at competitive market rates (as determined by the Board based upon evidence of fees charged by other United States investment banking firms for the same services).

2. Section 6 of the Plan is amended by adding a new Section 6.6 to read as follows:

6.6 Holding Period.

(a) A Participant (or beneficiary following the Participant's death) who acquired shares of the Company's Common Stock under the Plan may not exercise their right to put such shares of Common Stock to the Company for repurchase under Section 6.1 prior to the date that is 181 days following the date the Participant acquired such shares.

(b) The Company may not exercise its right to purchase shares of the Company's Common Stock from a Participant (or beneficiary following the Participant's death) under Section 6.2 prior to the date that is 181 days following the date the Participant acquired such shares.

Expand Eligibility

3. Section 2 of the Plan is amended to include a new Section 2.5A Director immediately after the definition of "Company" at Section 2.5:

2.5A Director. "Director" means an Employee or a non-Employee of the Company who serves as a member of the Board.

4. Section 2 of the Plan is amended to add a new Section 2.6A Eligible Recipients immediately after the definition of "Eligible Employee" at Section 2.6:

2.6A Eligible Recipients. "Eligible Recipients" mean Eligible Employees and/or Directors who satisfy the conditions set forth in

Section 3 herein.

5. Section 2.6 of the Plan is amended and restated to read as follows:

2.6 Eligible Employee. An "Eligible Employee" means any Employee of the Company or BNAC who (i) has been employed by the Company or BNAC for at least twelve (12) consecutive months and (ii) is customarily scheduled to work at least forty (40) hours per week.

6. Section 2.7 of the Plan is amended by amending and restating the first sentence of such Section to read as follows:

"Employee means any individual treated as an employee in the records of the Company or BNAC (including an officer or a Director of the Company or BNAC who is also treated as an employee in such records).

7. Section 2.13 of the Plan is amended and restated to read as follows:

2.13 Participant. "Participant" means each Eligible Recipient who participates in this Plan by execution of a Stock Purchase Agreement issued to such individual under the Plan.

8. Section 3 of the Plan is amended to include the following sentence to the end of such section:

A Director who is not an Employee may be granted from time to time the right to purchase shares of Common Stock under the Plan, as may be determined by the Board in its sole discretion and in accordance with the internal policies or bylaws established by the Board from time to time.

9. Section 4.2 of the Plan is amended and restated to read as follows:

4.2 Grant of Purchase Right. An Eligible Employee who the CEO of the Company determines has satisfied the requirements set forth in Section 3 may be granted the right to purchase shares of Common Stock under the Plan, pursuant to the terms of a Stock Purchase Agreement issued by the Company to such Eligible Employee. The Committee shall require the payment by the Participant of a specified purchase price in connection with a grant of the right to purchase shares of Common Stock

10. Section 8.2 of the Plan is amended and restated in its entirety as follows:

8.2 Employment. Nothing in the Plan confers upon any Eligible Recipient or Participant any right to future or continued employment with the Company or infers with or limits in any way the right of the Company to terminate the employment of any Eligible Employee or Participant at any time, with or without notice and with or without cause, subject to the terms of such Employee's employment agreement or service contract, if any.

11. Sections 1.1, 7.2, and 8.7 of the Plan are amended by striking the term "Eligible Employee" or "Eligible Employees" and inserting "Eligible Recipient(s)" in each place such phrase occurs in such sections.

12. The changes made by the foregoing Items 3 through 11 of this Amendment are conditioned on and subject to approval by the Company's stockholders as required by Section 8.7 of the Plan.

IN WITNESS WHEREOF, the undersigned, on behalf of BKV Corporation, has executed this First Amendment to the BKV Corporation 2020 Employee Stock Purchase Plan document effective as of the 5th day of November, 2021.

BKV CORPORATION

By: /s/ Christopher Pungya Kalnin
Christopher Pungya Kalnin, CEO

SECOND AMENDMENT
TO THE
BKV CORPORATION
2020 EMPLOYEE STOCK PURCHASE PLAN
(ADOPTED BY THE BOARD OF DIRECTORS ON JULY 16, 2020)

This Second Amendment (this "**Amendment**") to the BKV Corporation 2020 Employee Stock Purchase Plan (the " **Plan**") is made by BKV Corporation (the "**Company**") this 21st day of April, 2022.

WHEREAS, the Company desires to expand the Plan's eligibility requirements to include employees of the Company's affiliates and subsidiaries, subject to approval of the Company's stockholders as required by Section 8.7 of the Plan; and

WHEREAS, the Company desires to remove a typographical error contained in Section 2.17.

NOW THEREFORE, the Plan is amended effective as of March 17, 2022, as follows:

1. Section 2.5 is amended by adding the following language to the end of such section:

For purposes of Section 2.7 (first sentence), Section 8.2, and Section 8.5, "Company" shall include any affiliate or subsidiary of the Company, as such terms are defined under Section 2.6.

2. Section 2.6 is amended and restated to read as follows:

2.6 Eligible Employee. An "Eligible Employee" means any Employee of the Company, any affiliate or subsidiary of the Company, or BNAC who (i) has been employed by the Company, any affiliate or subsidiary of the Company, or BNAC, for at least twelve (12) consecutive months, and (ii) is customarily scheduled to work at least forty (40) hours per week. For purposes of this section and the Plan, "affiliate of the Company" means a corporation or other entity (including a partnership or a limited liability company) that is engaged in the business of oil and gas exploration and production and is controlled by the Company (where "control" means ownership of more than fifty percent (50%) of the voting equity of any entity), and "subsidiary of the Company" means any corporation or other entity, whether domestic or foreign, that is engaged in the business of oil and gas exploration and production and in which the Company has or obtains, directly or indirectly, an ownership interest of more than fifty percent (50%) by reason of stock ownership or otherwise. For the avoidance of doubt, "affiliate or subsidiary of the Company" specifically includes Kalnin Ventures LLC, BKV Barnett, LLC, BKV Operating, LLC, BKV Chelsea, LLC, and BKV Chaffee Corners, LLC, and specifically excludes BKV-BPP Power, LLC and any business developed by the Company for the purpose of carbon capture, utilization and storage ("CCUS").

3. Section 2.17 of the Plan is amended by amending and restating the first sentence of such Section to read as follows:

"Stock Purchase Account" means a noninterest-bearing account consisting of all amounts deposited by a Participant for the purpose of purchasing shares of Common Stock for such Participant under the Plan reduced by all amounts applied to the purchase of shares of Common Stock for such Participant under the Plan.

IN WITNESS WHEREOF, the undersigned, on behalf of BKV Corporation, has executed this Second Amendment to the BKV Corporation 2020 Employee Stock Purchase Plan document effective as of the 21st day of April 2022.

BKV CORPORATION

By: /s/ Christopher Pungya Kalnin
Christopher Pungya Kalnin, CEO

Exhibit 10.14

FORM OF

BKV CORPORATION

2022 EQUITY AND INCENTIVE COMPENSATION PLAN

1. **Purpose.** The purpose of this Plan is to permit award grants to non-employee Directors, officers and other employees of the Company and its Subsidiaries, and certain consultants to the Company and its Subsidiaries, and to provide to such persons incentives and rewards for service and/or performance.

2. **Definitions.** As used in this Plan:

(a) "Appreciation Right" means a right granted pursuant to **Section 5** of this Plan.

(b) "Base Price" means the price to be used as the basis for determining the Spread upon the exercise of an Appreciation Right.

(c) "Board" means the Board of Directors of the Company.

(d) "Cash Incentive Award" means a cash award granted pursuant to **Section 8** of this Plan.

(e) "Change in Control" has the meaning set forth in **Section 12** of this Plan.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder, as such law and regulations may be amended from time to time.

(g) "Committee" means the Compensation Committee of the Board (or its successor(s)), or any other committee of the Board designated by the Board to administer this Plan pursuant to **Section 10** of this Plan.

(h) "Common Shares" means the shares of common stock, par value $0.01 per share, of the Company or any security into which such common shares may be changed by reason of any transaction or event of the type referred to in **Section 11** or **Section 12** of this Plan.

(i) "Company" means BKV Corporation, a Delaware corporation, and its successors.

(j) "Company Voting Securities" means the voting securities of the Company entitled to vote generally in the election of Directors.

(k) "Date of Grant" means the date provided for by the Committee on which a grant of Option Rights, Appreciation Rights, Performance Shares, Performance Units, Cash Incentive Awards, or other awards contemplated by **Section 9** of this Plan, or a grant or sale of Restricted Shares, Restricted Stock Units, or other awards contemplated by **Section 9** of this Plan, will become effective (which date will not be earlier than the date on which the Committee takes action with respect thereto).

(l) "Director" means a member of the Board.

(m) "Effective Date" means the date this Plan is approved by the Shareholders.

(n) "Evidence of Award" means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee that sets forth the terms and conditions of the awards granted under this Plan. An Evidence of Award may be in an electronic medium, may be limited to notation on the books and records of the Company and, unless otherwise determined by the Committee, need not be signed by a representative of the Company or a Participant.

(o) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

(p) "Exempt Person" means each of Banpu Public Company Limited, a public company incorporated in and existing under the Laws of Thailand, and any corporation, company or other entity that is wholly-owned by Banpu Public Company Limited, as of the relevant time.

(q) "Management Objectives" means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Shares, Performance Units or Cash Incentive Awards or, when so determined by the Committee, Option Rights, Appreciation Rights, Restricted Shares, Restricted Stock Units, dividend equivalents or other awards pursuant to this Plan. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances render the Management Objectives unsuitable, the Committee may in its discretion modify such Management Objectives or the goals or actual levels of achievement regarding the Management Objectives, in whole or in part, as the Committee deems appropriate and equitable.

(r) "Market Value per Share" means, as of any particular date, the closing price of a Common Share as reported for that date on the New York Stock Exchange or, if the Common Shares are not then listed on the New York Stock Exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such date, on the next preceding trading day during which a sale occurred. If there is no regular public trading market for the Common Shares, then the Market Value per Share shall be the fair market value as determined in good faith by the Committee. The

Committee is authorized to adopt another fair market value pricing method provided such method is stated in the applicable Evidence of Award and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(s) "Optionee" means the optionee named in an Evidence of Award evidencing an outstanding Option Right.

(t) "Option Price" means the purchase price payable on exercise of an Option Right.

(u) "Option Right" means the right to purchase Common Shares upon exercise of an award granted pursuant to **Section 4** of this Plan.

(v) "Participant" means a person who is selected by the Committee to receive benefits under this Plan and who is at the time (i) a non-employee Director, (ii) an officer or other employee of the Company or any Subsidiary, or (iii) a person, including a consultant, who provides services to the Company or any Subsidiary that are equivalent to those typically provided by an employee (provided that such person satisfies the Form S-8 definition of an "employee").

(w) "Performance Period" means, in respect of a Cash Incentive Award, Performance Share or Performance Unit, a period of time established pursuant to **Section 8** of this Plan within which the Management Objectives relating to such Cash Incentive Award, Performance Share or Performance Unit are to be achieved.

(x) "Performance Share" means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to **Section 8** of this Plan.

(y) "Performance Unit" means a bookkeeping entry awarded pursuant to **Section 8** of this Plan that records a unit equivalent to $1.00 or such other value as is determined by the Committee.

(z) "Plan" means this BKV Corporation 2022 Equity and Incentive Compensation Plan, as may be amended or amended and restated from time to time.

(aa) "Predecessor Plan" means the BKV Corporation 2021 Long Term Incentive Plan, adopted January 1, 2021, as amended.

(bb) "Restricted Shares" means Common Shares granted or sold pursuant to **Section 6** of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfers has expired.

(cc) "Restricted Stock Units" means an award made pursuant to **Section 7** of this Plan of the right to receive Common Shares, cash or a combination thereof at the end of the applicable Restriction Period.

(dd) "Restriction Period" means the period of time during which Restricted Stock Units are subject to restrictions, as provided in **Section 7** of this Plan.

(ee) "Shareholder" means an individual or entity that owns one or more Common Shares.

(ff) "Spread" means the excess of the Market Value per Share on the date when an Appreciation Right is exercised over the Base Price provided for with respect to the Appreciation Right.

(gg) "Subsidiary" means a corporation, company or other entity (i) more than 60% of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, or (ii) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, limited liability company, unincorporated association or other similar entity), but more than 60% of whose ownership interest representing the right generally to make decisions for such other entity is, now or hereafter, owned or controlled, directly or indirectly, by the Company.

(hh) "Voting Power" means, at any time, the combined voting power of the then-outstanding securities entitled to vote generally in the election of Directors in the case of the Company or members of the board of directors or similar body in the case of another entity.

3. **Shares Available Under this Plan.**

(a) Maximum Shares Available Under this Plan.

(i) Subject to adjustment as provided in **Section 11** of this Plan and the share counting rules set forth in **Section 3(b)** of this Plan, the number of Common Shares available under this Plan for awards of (A) Option Rights or Appreciation Rights, (B) Restricted Shares, (C) Restricted Stock Units, (D) Performance Shares or Performance Units, (E) awards contemplated by **Section 9** of this Plan, or (F) dividend equivalents paid with respect to awards made under this Plan will not exceed in the aggregate [ ] Common Shares. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing.

(ii) Subject to the share counting rules set forth in **Section 3(b)** of this Plan, the aggregate number of Common Shares available under **Section 3(a)(i)** of this Plan will be reduced by one Common Share for every one Common Share subject to an award granted under this Plan.

(b) Share Counting Rules.

(i) Except as provided in **Section 22** of this Plan, if any award granted under this Plan (in whole or in part) is cancelled or forfeited, expires, is settled for cash, or is unearned, the Common Shares subject to such award will, to the extent of such cancellation, forfeiture, expiration, cash settlement, or unearned amount, again be available under **Section 3(a)(i)** above.

(ii) Notwithstanding anything to the contrary contained in this Plan: (A) Common Shares withheld by the Company, tendered or otherwise used in payment of the Option Price of an Option Right will not be added (or added back, as applicable) to the aggregate number of Common Shares available under **Section 3(a)(i)** of this Plan; (B) Common Shares withheld by the Company, tendered or otherwise used to satisfy tax withholding will not be added (or added back, as applicable) to the aggregate number of Common Shares available under **Section 3(a)(i)** of this Plan; (C) Common Shares subject to a share-settled Appreciation Right that are not actually issued in connection with the settlement of such Appreciation Right on the exercise thereof will not be added (or added back, as applicable) to the aggregate number of Common Shares available under **Section 3(a)(i)** of this Plan; and (D) Common Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Option Rights will not be added (or added back, as applicable) to the aggregate number of Common Shares available under **Section 3(a)(i)** of this Plan.

(iii) If, under this Plan, a Participant has elected to give up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will not count against the aggregate limit under **Section 3(a)(i)** of this Plan.

(c) Non-Employee Director Compensation Limit. Notwithstanding anything to the contrary contained in this Plan, in no event will any non-employee Director in any one calendar year be granted compensation for such service having an aggregate maximum value (measured at the Date of Grant as applicable, and calculating the value of any awards based on the grant date fair value for financial reporting purposes) in excess of $750,000.

4. **Option Rights.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of Option Rights. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of Common Shares to which it pertains subject to the limitations set forth in **Section 3** of this Plan.

(b) Each grant will specify an Option Price per Common Share, which Option Price (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant.

(c) Each grant will specify whether the Option Price will be payable (i) in cash, by check acceptable to the Company or by wire transfer of immediately available funds, (ii) by the actual or constructive transfer to the Company of Common Shares owned by the Optionee having a value at the time of exercise equal to the total Option Price, (iii) subject to any conditions or limitations established by the Committee, by the withholding of Common Shares otherwise issuable upon exercise of an Option Right pursuant to a “net exercise” arrangement (it being understood that, solely for purposes of determining the number of treasury shares held by the Company, the Common Shares so withheld will not be treated as issued and acquired by the Company upon such exercise), (iv) by a combination of such methods of payment, or (v) by such other methods as may be approved by the Committee.

(d) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to the Company of some or all of the Common Shares to which such exercise relates.

(e) Each grant will specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary, if any, that is necessary before any Option Rights or installments thereof will vest. Option Rights may provide for continued vesting or the earlier vesting of such Option Rights, including in the event of the retirement, death, disability or termination of employment or service of a Participant or in the event of a Change in Control.

(f) Any grant of Option Rights may specify Management Objectives regarding the vesting of such rights.

(g) Option Rights granted under this Plan are not intended to qualify under Section 422 of the Code or any successor provision.

(h) No Option Right will be exercisable more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Option Right upon such terms and conditions as established by the Committee.

(i) Option Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(j) Each grant of Option Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

5. **Appreciation Rights.**

(a) The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting to any Participant of Appreciation Rights. An Appreciation Right will be the right of the Participant to receive from the Company an amount determined by the Committee, which will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise.

(b) Each grant of Appreciation Rights may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(i) Each grant may specify that the amount payable on exercise of an Appreciation Right will be paid by the Company in cash, Common Shares or any combination thereof.

(ii) Each grant will specify the period or periods of continuous service by the Participant with the Company or any Subsidiary, if any, that is necessary before the Appreciation Rights or installments thereof will vest. Appreciation Rights may provide for continued vesting or the earlier vesting of such Appreciation Rights, including in the event of the retirement, death, disability or termination of employment or service of a Participant or in the event of a Change in Control.

(iii) Any grant of Appreciation Rights may specify Management Objectives regarding the vesting of such Appreciation Rights.

(iv) Appreciation Rights granted under this Plan may not provide for any dividends or dividend equivalents thereon.

(v) Each grant of Appreciation Rights will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

(c) Also, regarding Appreciation Rights:

(i) Each grant will specify in respect of each Appreciation Right a Base Price, which (except with respect to awards under **Section 22** of this Plan) may not be less than the Market Value per Share on the Date of Grant; and

(ii) No Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant. The Committee may provide in any Evidence of Award for the automatic exercise of an Appreciation Right upon such terms and conditions as established by the Committee.

6. **Restricted Shares.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the grant or sale of Restricted Shares to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights, but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter described.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Each such grant or sale will provide that the Restricted Shares covered by such grant or sale will be subject to a “substantial risk of forfeiture” within the meaning of Section 83 of the Code for a period to be determined by the Committee on the Date of Grant or until achievement of Management Objectives referred to in **Section 6(e)** of this Plan.

(d) Each such grant or sale will provide that during or after the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Shares will be prohibited or restricted in the manner and to the extent prescribed by the Committee on the Date of Grant (which restrictions may include rights of repurchase or first refusal of the Company or provisions subjecting the Restricted Shares to a continuing substantial risk of forfeiture while held by any transferee).

(e) Any grant of Restricted Shares may specify Management Objectives regarding the vesting of such Restricted Shares.

(f) Notwithstanding anything to the contrary contained in this Plan, Restricted Shares may provide for continued vesting or the earlier vesting of such Restricted Shares, including in the event of the retirement, death, disability or termination of employment or service of a Participant or in the event of a Change in Control.

(g) Any such grant or sale of Restricted Shares may require that any and all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and/or reinvested in additional Restricted Shares, which will be subject to the same restrictions as the underlying award. For the avoidance of doubt, any such dividends or other distributions on Restricted Shares shall be deferred until, and paid contingent upon, the vesting of such Restricted Shares.

(h) Each grant or sale of Restricted Shares will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan

and will contain such terms and provisions, consistent with this Plan, as the Committee may approve. Unless otherwise directed by the Committee, (i) all certificates representing Restricted Shares will be held in custody by the Company until all restrictions thereon will have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such shares or (ii) all Restricted Shares will be held at the Company's transfer agent in book entry form with appropriate restrictions relating to the transfer of such Restricted Shares.

7. **Restricted Stock Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each such grant or sale will constitute the agreement by the Company to deliver Common Shares or cash, or a combination thereof, to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions (which may include achievement regarding Management Objectives) during the Restriction Period as the Committee may specify.

(b) Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share on the Date of Grant.

(c) Notwithstanding anything to the contrary contained in this Plan, Restricted Stock Units may provide for continued vesting or the earlier lapse or other modification of the Restriction Period, including in the event of the retirement, death, disability or termination or employment of service of a Participant or in the event of a Change in Control.

(d) During the Restriction Period, the Participant will have no right to transfer any rights under his or her award and will have no rights of ownership in the Common Shares deliverable upon payment of the Restricted Stock Units and will have no right to vote them, but the Committee may, at or after the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on a deferred and contingent basis, either in cash or in additional Common Shares; provided, however, that dividend equivalents or other distributions on Common Shares underlying Restricted Stock Units shall be deferred until and paid contingent upon the vesting of such Restricted Stock Units.

(e) Each grant or sale of Restricted Stock Units will specify the time and manner of payment of the Restricted Stock Units that have been earned. Each grant or sale will specify that the amount payable with respect thereto will be paid by the Company in Common Shares or cash, or a combination thereof.

(f) Each grant or sale of Restricted Stock Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

8. **Cash Incentive Awards, Performance Shares and Performance Units.** The Committee may, from time to time and upon such terms and conditions as it may determine, authorize the granting of Cash Incentive Awards, Performance Shares and Performance Units. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number or amount of Performance Shares or Performance Units, or amount payable with respect to a Cash Incentive Award, to which it pertains, which number or amount may be subject to adjustment to reflect changes in compensation or other factors.

(b) The Performance Period with respect to each Cash Incentive Award or grant of Performance Shares or Performance Units will be such period of time as will be determined by the Committee, which may be subject to continued vesting or earlier lapse or other modification, including in the event of the retirement, death, disability or termination of employment or service of a Participant or in the event of a Change in Control.

(c) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will specify Management Objectives regarding the earning of the award.

(d) Each grant will specify the time and manner of payment of a Cash Incentive Award, Performance Shares or Performance Units that have been earned.

(e) The Committee may, on the Date of Grant of Performance Shares or Performance Units, provide for the payment of dividend equivalents to the holder thereof either in cash or in additional Common Shares, which dividend equivalents shall be subject to deferral and payment on a contingent basis based on the Participant's earning and vesting of the Performance Shares or Performance Units, as applicable, with respect to which such dividend equivalents are paid.

(f) Each grant of a Cash Incentive Award, Performance Shares or Performance Units will be evidenced by an Evidence of Award. Each Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve.

9. **Other Awards.**

(a) Subject to applicable law and the applicable limits set forth in **Section 3** of this Plan, the Committee may authorize the grant to any Participant of Common Shares or such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Shares or factors that may influence the value of such shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares, awards with value and payment contingent upon

performance of the Company or specified subsidiaries, affiliates or other business units thereof or any other factors designated by the Committee, and awards valued by reference to the book value of the Common Shares or the value of securities of, or the performance of specified subsidiaries or affiliates or other business units of the Company. The Committee will determine the terms and conditions of such awards. Common Shares delivered pursuant to an award in the nature of a purchase right granted under this **Section 9** will be purchased for such consideration, paid for at such time, by such methods, and in such forms, including, without limitation, Common Shares, other awards, notes or other property, as the Committee determines.

(b) Cash awards, as an element of or supplement to any other award granted under this Plan, may also be granted pursuant to this **Section 9**.

(c) The Committee may authorize the grant of Common Shares as a bonus, or may authorize the grant of other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Committee in a manner that complies with Section 409A of the Code.

(d) The Committee may, at or after the Date of Grant, authorize the payment of dividends or dividend equivalents on awards granted under this **Section 9** on a deferred and contingent basis, either in cash or in additional Common Shares; provided, however, that dividend equivalents or other distributions on Common Shares underlying awards granted under this **Section 9** shall be deferred until and paid contingent upon the earning and vesting of such awards.

(e) Each grant of an award under this **Section 9** will be evidenced by an Evidence of Award. Each such Evidence of Award will be subject to this Plan and will contain such terms and provisions, consistent with this Plan, as the Committee may approve, and will specify the time and terms of delivery of the applicable award.

(f) Notwithstanding anything to the contrary contained in this Plan, awards under this **Section 9** may provide for the earning or vesting of, or earlier elimination of restrictions applicable to, such award, including in the event of the retirement, death, disability or termination of employment or service of a Participant or in the event of a Change in Control.

10. **Administration of this Plan.**

(a) This Plan will be administered by the Committee; provided, that, with respect to awards to non-employee Directors, the Board shall have the same powers and authorities as the Committee and may, in its discretion, exercise such powers in lieu of the Committee.

(b) The interpretation and construction by the Committee of any provision of this Plan or of any Evidence of Award (or related documents) and any determination by the Committee pursuant to any provision of this Plan or of any such agreement, notification or document will be final and conclusive. No member of the Committee shall be liable for any such action or determination made in good faith. In addition, the Committee is authorized to take any action it determines in its sole discretion to be appropriate subject only to the express limitations contained in this Plan, and no authorization in any Plan section or other provision of this Plan is intended or may be deemed to constitute a limitation on the authority of the Committee.

(c) To the extent permitted by law, the Committee may delegate to one or more officers of the Company such administrative duties or powers as it may deem advisable, and the Committee or any officer of the Company to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Committee or such officer may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Committee: (i) designate employees to be recipients of awards under this Plan; and (ii) determine the size of any such awards; provided, however, that (A) the Committee will not delegate such responsibilities to any such officer for awards granted to an employee who is an officer (for purposes of Section 16 of the Exchange Act), Director, or more than 10% “beneficial owner” (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) of any class of the Company’s equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Committee in accordance with Section 16 of the Exchange Act; (B) the resolution providing for such authorization shall set forth the total number of Common Shares such officer(s) may grant; and (C) the officer(s) will report periodically to the Committee regarding the nature and scope of the awards granted pursuant to the authority delegated.

11. **Adjustments.** The Committee shall make or provide for such adjustments in the number of and kind of Common Shares covered by outstanding Option Rights, Appreciation Rights, Restricted Shares, Restricted Stock Units, Performance Shares and Performance Units granted hereunder and, if applicable, in the number of and kind of Common Shares covered by other awards granted pursuant to **Section 9** of this Plan, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, respectively, in Cash Incentive Awards, and in other award terms, as the Committee, in its sole discretion, exercised in good faith, determines is equitably required to prevent dilution or enlargement of the rights of Participants that otherwise would result from (a) any extraordinary cash dividend, stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event , the Committee may provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and shall require in connection therewith the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each Option Right or Appreciation Right with an Option Price or Base Price, respectively, greater than the consideration offered in connection with any such transaction or event, the Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right. The Committee shall also make or provide for such adjustments in the number of Common Shares specified in **Section 3** of this Plan as the Committee in its sole discretion, exercised in good faith, determines is appropriate to reflect any transaction or event described in this **Section 11**.

12. **Change in Control**.

(a) Upon a Change in Control, the Committee, acting in its sole discretion without the consent or approval of any Participant, may (i) provide that an outstanding Award shall be assumed by, or a substitute award shall be granted by the surviving entity resulting from a transaction described in **Section 12(b)(iii)**, (ii) provide for acceleration of the vesting and exercisability of, or lapse of restrictions, in whole or in part, with respect to, an Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction, (iii) cancel an Award in exchange for a cash payment in an amount that the Committee shall determine in its sole discretion is equal to the fair market value of such Award on the date of such event, which in the case of Option Rights or Appreciation Rights shall be the excess of the Market Value of Shares on such date over the Option Price or Base Price, as applicable, of such Award (it being understood that, for each Option Right or Appreciation Right with an Option Price or Base Price, respectively, greater than the consideration offered in connection with the Change in Control, the Committee may in its discretion elect to cancel such Option Right or Appreciation Right without any payment to the person holding such Option Right or Appreciation Right), or (iv) make such adjustments, if any, to the Awards then outstanding as the Committee deems appropriate to reflect such Change in Control. The Committee may effect one or more of such alternatives, which may vary among individual Participants and which may vary among Awards held by any individual Participant:

(b) For purposes of this Plan, except as may be otherwise prescribed by the Committee in an Evidence of Award made under this Plan, a "Change in Control" will be deemed to have occurred upon the occurrence (after the Effective Date) of any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of Company Voting Securities where such acquisition causes such Person to own 40% or more of the combined voting power of the then outstanding Company Voting Securities; provided, however, that for purposes of this subsection (a), the following acquisitions shall not be deemed to result in a Change in Control: (i) any acquisition by the Company or a wholly-owned subsidiary of the Company, (ii) any acquisition directly from the Company that is approved by the Board prior to the transaction, (iii) any acquisition by any Exempt Person or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction that complies with clauses (A), (B) and (C) of Section 12(b)(iii) below;

(ii) the replacement of a majority of the Board over a two–year period of the directors who constituted the Board at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board then still in office who either were members of such Board at the beginning of such period or whose election as a member of such Board was previously so approved; provided, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered to have been so approved;

(iii) the consummation of a reorganization, merger or consolidation or the sale or other disposition of all or substantially all of the assets of the Company, whether in one or a series of related transactions, ("Business Combination") excluding, however, such a Business Combination pursuant to which (A) the individuals and entities who were the beneficial owners of the outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the Common Shares and Company Voting Securities immediately prior to such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (ii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) approval by the Shareholders of a complete liquidation or dissolution of the Company except pursuant to a Business Combination that complies with clauses (A), (B) and (C) of Section 12(b)(iii) above.

13. **Detrimental Activity and Recapture Provisions**. Any Evidence of Award may reference a clawback policy of the Company or provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee from time to time, if a Participant, either (a) during employment or other service with the Company or a subsidiary, or (b) within a specified period after termination of such employment or service, engages in any detrimental activity, as described in the applicable Evidence of Award or such clawback policy. In addition, notwithstanding anything in this Plan to the contrary, any Evidence of Award or such clawback policy may also provide for the cancellation or forfeiture of an award or the forfeiture and repayment to the Company of any Common Shares issued under and/or any other benefit related to an award, or other provisions intended to have a similar effect, including upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Securities and Exchange Commission or any national securities exchange or national securities association on which the Common Shares may be traded.

14. **Non-U.S. Participants.** In order to facilitate the making of any grant or combination of grants under this Plan, the Committee may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America or who provide services to the Company or any Subsidiary under an agreement with a foreign nation or agency, as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to or

amendments, restatements or alternative versions of this Plan (including sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the Shareholders.

15. **Transferability.**

(a) Except as otherwise determined by the Committee, and subject to compliance with **Section 17(b)** of this Plan and Section 409A of the Code, no Option Right, Appreciation Right, Restricted Share, Restricted Stock Unit, Performance Share, Performance Unit, Cash Incentive Award, award contemplated by **Section 9** of this Plan or dividend equivalents paid with respect to awards made under this Plan will be transferable by the Participant except by will or the laws of descent and distribution. In no event will any such award granted under this Plan be transferred for value. Where transfer is permitted, references to "Participant" shall be construed, as the Committee deems appropriate, to include any permitted transferee to whom such award is transferred. Except as otherwise determined by the Committee, Option Rights and Appreciation Rights will be exercisable during the Participant's lifetime only by him or her or, in the event of the Participant's legal incapacity to do so, by his or her guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law or court supervision.

(b) The Committee may specify on the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Shares or Performance Units or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in **Section 6** of this Plan, will be subject to further restrictions on transfer, including minimum holding periods.

16. **Withholding Taxes.** To the extent that the Company is required to withhold federal, state, local or foreign taxes or other amounts in connection with any payment made or benefit realized by a Participant or other person under this Plan, and the amounts available to the Company for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld, which arrangements (in the discretion of the Committee) may include relinquishment of a portion of such benefit. If a Participant's benefit is to be received in the form of Common Shares, and such Participant fails to make arrangements for the payment of taxes or other amounts, then, unless otherwise determined by the Committee, the Company will withhold Common Shares having a value equal to the amount required to be withheld. Notwithstanding the foregoing, when a Participant is required to pay the Company an amount required to be withheld under applicable income, employment, tax or other laws, the Participant may elect, unless otherwise determined by the Committee, to satisfy the obligation, in whole or in part, by having withheld, from the Common Shares required to be delivered to the Participant, Common Shares having a value equal to the amount required to be withheld or by delivering to the Company other Common Shares held by such Participant. The Common Shares used for tax or other withholding will be valued at an amount equal to the fair market value of such Common Shares on the date the benefit is to be included in Participant's income. In no event will the fair market value of the Common Shares to be withheld and delivered pursuant to this **Section 16** exceed the minimum amount required to be withheld, unless (i) an additional amount can be withheld and not result in adverse accounting consequences, (ii) such additional withholding amount is authorized by the Committee, and (iii) the total amount withheld does not exceed the Participant's estimated tax obligations attributable to the applicable transaction. Participants will also make such arrangements as the Company may require for the payment of any withholding tax or other obligation that may arise in connection with the disposition of Common Shares acquired upon the exercise of Option Rights.

17. **Compliance with Section 409A of the Code.**

(a) To the extent applicable, it is intended that this Plan and any grants made hereunder be exempt from the provisions of Section 409A of the Code or, if not so exempt, that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Participants. This Plan and any grants made hereunder will be administered in a manner consistent with this intent. Any reference in this Plan to Section 409A of the Code will also include any regulations or any other formal guidance promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service.

(b) Neither a Participant nor any of a Participant's creditors or beneficiaries will have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under this Plan and grants hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under this Plan and grants hereunder may not be reduced by, or offset against, any amount owed by a Participant to the Company or any of its subsidiaries.

(c) If, at the time of a Participant's separation from service (within the meaning of Section 409A of the Code), (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service.

(d) Solely with respect to any award that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is payable on account of a Change in Control (including any installments or stream of payments that are accelerated on account of a Change in Control), a Change in Control shall occur only if such event also constitutes a "change in the ownership," "change in effective control," and/or a "change in the ownership of a substantial portion of assets" of the Company as those terms are defined under Treasury Regulation §1.409A-3(i)(5), but only to the extent necessary to

establish a time and form of payment that complies with Section 409A of the Code, without altering the definition of Change in Control for any purpose in respect of such award.

(e) Notwithstanding any provision of this Plan and grants hereunder to the contrary, in light of the uncertainty with respect to the proper application of Section 409A of the Code, the Company reserves the right to make amendments to this Plan and grants hereunder as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A of the Code. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with this Plan and grants hereunder (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

18. **Amendments.**

(a) The Board may at any time and from time to time amend this Plan in whole or in part; provided, however, that if an amendment to this Plan, for purposes of applicable stock exchange rules and except as permitted under **Section 11** of this Plan, (i) would materially increase the benefits accruing to Participants under this Plan, (ii) would materially increase the number of securities which may be issued under this Plan, (iii) would materially modify the requirements for participation in this Plan, or (iv) must otherwise be approved by the Shareholders in order to comply with applicable law or the rules of the New York Stock Exchange or, if the Common Shares are not traded on the New York Stock Exchange, the principal national securities exchange upon which the Common Shares are traded or quoted, all as determined by the Board, then, such amendment will be subject to Shareholder approval and will not be effective unless and until such approval has been obtained.

(b) Except in connection with a corporate transaction or event described in **Section 11** of this Plan or in connection with a Change in Control, the terms of outstanding awards may not be amended to reduce the Option Price of outstanding Option Rights or the Base Price of outstanding Appreciation Rights, or cancel outstanding "underwater" Option Rights or Appreciation Rights (including following a Participant's voluntary surrender of "underwater" Option Rights or Appreciation Rights) in exchange for cash, other awards or Option Rights or Appreciation Rights with an Option Price or Base Price, as applicable, that is less than the Option Price of the original Option Rights or Base Price of the original Appreciation Rights, as applicable, without Shareholder approval. This **Section 18(b)** is intended to prohibit the repricing of "underwater" Option Rights and Appreciation Rights and will not be construed to prohibit the adjustments provided for in **Section 11** or **Section 12** of this Plan. Notwithstanding any provision of this Plan to the contrary, this **Section 18(b)** may not be amended without approval by the Shareholders.

(c) If permitted by Section 409A of the Code, but subject to the paragraph that follows, including in the case of termination of employment or service, or in the case of unforeseeable emergency or other circumstances or in the event of a Change in Control, to the extent a Participant holds an Option Right or Appreciation Right not immediately exercisable in full, or any Restricted Shares as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Cash Incentive Awards, Performance Shares or Performance Units which have not been fully earned, or any dividend equivalents or other awards made pursuant to **Section 9** of this Plan subject to any vesting schedule or transfer restriction, or who holds Common Shares subject to any transfer restriction imposed pursuant to **Section 15(b)** of this Plan, the Committee may, in its sole discretion, provide for continued vesting or accelerate the time at which such Option Right, Appreciation Right or other award may vest or be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Cash Incentive Awards, Performance Shares or Performance Units will be deemed to have been earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award.

(d) Subject to **Section 18(b)** of this Plan, the Committee may amend the terms of any award theretofore granted under this Plan prospectively or retroactively. Except for adjustments made pursuant to **Section 11** of this Plan, no such amendment will materially impair the rights of any Participant without his or her consent. The Board may, in its discretion, terminate this Plan at any time. Termination of this Plan will not affect the rights of Participants or their successors under any awards outstanding hereunder and not exercised in full on the date of termination.

19. **Governing Law.** This Plan and all grants and awards and actions taken hereunder will be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

20. **Effective Date/Termination.** This Plan will be effective as of the Effective Date. No grants will be made on or after the Effective Date under the Predecessor Plan, provided that outstanding awards granted under the Predecessor Plan will continue unaffected following the Effective Date. No grant will be made under this Plan on or after the tenth anniversary of the Effective Date, but all grants made prior to such date will continue in effect thereafter subject to the terms thereof and of this Plan. For clarification purposes, the terms and conditions of this Plan shall not apply to or otherwise impact previously granted and outstanding awards under the Predecessor Plan, as applicable.

21. **Miscellaneous Provisions.**

(a) The Company will not be required to issue any fractional Common Shares pursuant to this Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

(b) This Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

(c) No award under this Plan may be exercised by the holder thereof if such exercise, and the receipt of cash or shares thereunder, would

be, in the opinion of counsel selected by the Company, contrary to law or the regulations of any duly constituted authority having jurisdiction over this Plan.

(d) Absence on leave approved by a duly constituted officer of the Company or any of its Subsidiaries will not be considered interruption or termination of service of any employee for any purposes of this Plan or awards granted hereunder.

(e) No Participant will have any rights as a Shareholder with respect to any Common Shares subject to awards granted to him or her under this Plan prior to the date as of which he or she is actually recorded as the holder of such Common Shares upon the share records of the Company.

(f) The Committee may condition the grant of any award or combination of awards authorized under this Plan on the surrender or deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

(g) Except with respect to Option Rights and Appreciation Rights, the Committee may permit Participants to elect to defer the issuance of Common Shares under this Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan and which are intended to comply with the requirements of Section 409A of the Code. The Committee also may provide that deferred issuances and settlements include the crediting of dividend equivalents or interest on the deferral amounts.

(h) If any provision of this Plan is or becomes invalid or unenforceable in any jurisdiction, or would disqualify this Plan or any award under any law deemed applicable by the Committee, such provision will be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Committee, it will be stricken and the remainder of this Plan will remain in full force and effect. Notwithstanding anything in this Plan or an Evidence of Award to the contrary, nothing in this Plan or in an Evidence of Award prevents a Participant from providing, without prior notice to the Company, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity a Participant is not prohibited from providing information voluntarily to the Securities and Exchange Commission pursuant to Section 21F of the Exchange Act.

22. **Share-Based Awards in Substitution for Awards Granted by Another Company.** Notwithstanding anything in this Plan to the contrary:

(a) Awards may be granted under this Plan in substitution for or in conversion of, or in connection with an assumption of, stock options, stock appreciation rights, restricted shares, restricted stock units or other share or share-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any subsidiary. Any conversion, substitution or assumption will be effective as of the close of the merger or acquisition, and, to the extent applicable, will be conducted in a manner that complies with Section 409A of the Code. The awards so granted may reflect the original terms of the awards being assumed or substituted or converted for and need not comply with other specific terms of this Plan, and may account for Common Shares substituted for the securities covered by the original awards and the number of shares subject to the original awards, as well as any exercise or purchase prices applicable to the original awards, adjusted to account for differences in stock prices in connection with the transaction.

(b) In the event that a company acquired by the Company or any subsidiary or with which the Company or any subsidiary merges has shares available under a pre-existing plan previously approved by shareholders and not adopted in contemplation of such acquisition or merger, the shares available for grant pursuant to the terms of such plan (as adjusted, to the extent appropriate, to reflect such acquisition or merger) may be used for awards made after such acquisition or merger under this Plan; provided, however, that awards using such available shares may not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or merger, and may only be made to individuals who were not employees or directors of the Company or any subsidiary prior to such acquisition or merger.

(c) Any Common Shares that are issued or transferred by, or that are subject to any awards that are granted by, or become obligations of, the Company under **Sections 22(a)** or **22(b)** of this Plan will not reduce the Common Shares available for issuance or transfer under this Plan or otherwise count against the limits contained in **Section 3** of this Plan. In addition, no Common Shares subject to an award that is granted by, or becomes an obligation of, the Company under **Sections 22(a)** or **22(b)** of this Plan, will be added to the aggregate limit contained in **Section 3(a)(i)** of this Plan.

Exhibit 10.17

Restricted Stock Unit Award (Director)

BKV CORPORATION
RESTRICTED STOCK UNIT AWARD NOTICE
2022 EQUITY AND INCENTIVE PLAN

BKV Corporation, a Delaware corporation (the "**Company**"), pursuant to its 2022 Equity and Incentive Plan, as amended from time to time (the " **Plan**"), hereby grants to the Participant the number of Restricted Stock Units (as defined in the Plan) subject to vesting requirements as set forth below (the "**Restricted Stock Units**" or "**RSUs**"). The Restricted Stock Units are subject to all of the terms and conditions as set forth in this Restricted Stock Unit Award Notice (the "**Award Notice**") and in the Restricted Stock Unit Agreement and the Plan, both of which are attached hereto and incorporated herein in their entirety.

Participant: [ ]

Date of Grant: [ ]

Number of Restricted Stock Units: [ ]

RSU Vesting Schedule: 100% of the RSUs shall vest on the day prior to the Company's first annual meeting of shareholders following the Date of Grant

The undersigned Participant acknowledges that the Participant has received a copy of this Restricted Stock Unit Award Notice, the Restricted Stock Unit Award Agreement and the Plan. As an express condition to the grant of the Award hereunder, the Participant agrees to be bound by the terms of this Restricted Stock Unit Award Notice, the Restricted Stock Unit Award Agreement and the Plan. The undersigned Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Award Notice, the Restricted Stock Unit Award Agreement, and the Plan set forth the entire understanding between the Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject with the exception of (i) Awards previously granted and delivered to the Participant by the Company, and (ii) any agreements referenced in this Restricted Stock Unit Award Notice. This Award Notice may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same agreement.

BKV CORPORATION:		**PARTICIPANT:**	
By:	_____	_____	
Name:	_____	Date:	_____
Title:	_____	Address:	_____
			_____

Restricted Stock Unit Award Agreement (Director)

RESTRICTED STOCK UNIT AWARD AGREEMENT
UNDER THE
BKV CORPORATION 2022 EQUITY AND INCENTIVE PLAN

Pursuant to the Restricted Stock Unit Award Notice attached hereto (the " **Award Notice**"), and subject to the terms of this Restricted Stock Unit Award Agreement (this "**Agreement**") and the BKV Corporation 2022 Equity and Incentive Plan (the " **Plan**"), BKV Corporation, a Delaware corporation (the "**Company**"), and the Participant agree as follows. Capitalized terms not otherwise defined in this Agreement or in the Award Notice will have the same meanings as set forth in the Plan.

1. Award of Restricted Stock Units. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant Restricted Stock Units, as set forth in the Award Notice, subject to adjustment as provided in the Plan, and each of which, if vested pursuant to this Agreement, will be settled in one (1) Common Share, at the time and subject to the terms, conditions and restrictions set forth in this Agreement and the Plan. Unless and until the Restricted Stock Units vest in accordance with this Agreement, Participant will have no right to receive any Common Shares or other payment in respect of the Restricted Stock Units. Prior to settlement of the Restricted Stock Units, the Restricted Stock Units and this Agreement represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. Vesting.

    a. Vesting Schedule. Except as otherwise provided in this Agreement or the Plan, the Restricted Stock Units will vest in the amounts and on the date as indicated in the RSU Vesting Schedule set forth in the Award Notice (the "**RSU Vesting Date**"), provided the Participant remains in the Service of the Company or a Subsidiary through the RSU Vesting Date. Except as otherwise provided in this Agreement or the Plan, or as otherwise determined by the Committee, any Restricted Stock Units that have not vested as of the date of the Participant's termination of Service, including by removal in accordance with the Company's Certificate of Incorporation, as then in effect, or by resignation of the Participant, shall be forfeited and terminate.

b. Death or Termination by the Company due to Disability . Notwithstanding Section 2(a), if the Participant (i) dies while employed by the Company or a Subsidiary or (ii) the Company terminates the Participant's Service due to the Participant's Disability, the Restricted Stock Units shall vest.

3. Timing and Manner of Settlement; Issuance of Common Shares . As soon as practicable and, in any event, no later than 15 days, following the vesting of Restricted Stock Units, such vested Restricted Stock Units will be converted to Common Shares which the Company will issue and deliver to the Participant (either by delivering one or more certificates for such shares or by entering such shares in book entry form in the name of the Participant or depositing such shares for the Participant's benefit with any broker with which the Participant has an account relationship or the Company has engaged to provide such services under the Plan) and record such shares on the records of the Company. The Participant is responsible to pay all required taxes associated with the Restricted Stock Units (including the issuance of the Common Shares, the subsequent sale of the Common Shares and the receipt of dividend equivalents or dividends, if any).

4. Rights of Participant; Transferability .

a. No Right to Continued Service or Future Awards . Nothing in the Plan or in this Agreement confers upon the Participant any right to continue in the Service of the Company or any Subsidiary or interferes with or limits in any way the right of the Company or any Subsidiary to terminate the Service of the Participant in accordance with the Company's Certificate of Incorporation, as then in effect. The grant of Restricted Stock Units under this Agreement to the Participant is a voluntary, discretionary award being made on a one-time basis and it does not constitute a commitment to make any future awards.

b. Rights as a Shareholder . The Participant shall have no rights as a Shareholder with respect to any Common Shares subject to the Restricted Stock Units prior to the date as of which the Participant is actually recorded as the holder of such Common Shares upon the share records of the Company pursuant to Section 3 above.

c. Dividend Equivalents. Notwithstanding Section 4(b), from and after the Date of Grant and until the earlier of the time when (i) Common Shares are issued in accordance with Section 3 above or (ii) the Participant's right to receive Common Shares in payment of the Restricted Stock Units is forfeited in accordance with Section 2 of this Agreement, on the date that the Company pays a cash dividend (if any) to holders of Common Shares generally, the Participant shall be credited with an amount per Restricted Stock Unit equal to the amount of such dividend. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as the Restricted Stock Units on which the dividend equivalents were credited, and such amounts shall be paid without interest at the same time the Common Shares are issued for the Restricted Stock Units to which they relate.

d. Non-Transferability. Except as otherwise expressly permitted by the Plan, no Restricted Stock Units may be assigned or transferred, or subjected to any lien, during the lifetime of the Participant, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise. Except to the extent permitted by the Plan, any purported sale, pledge, assignment, transfer, attachment or encumbrance of such Restricted Stock Units shall be null, void and unenforceable against the Company.

5. Change in Control. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control, if the Restricted Stock Units are not continued or assumed, or substituted or replaced with an award with respect to cash or shares of the acquiror or surviving entity in such Change in Control, in each case, with substantially equivalent terms and value as the Restricted Stock Units ("**Assumed**") or if the Participant's Service is terminated in connection with the Change in Control, any unvested Restricted Stock Units shall vest immediately prior to the Change in Control. In the event of a Change in Control in which the Restricted Stock Units are Assumed and the Participant's Service is not terminated in connection with the Change in Control, the Restricted Stock Units shall remain subject to the terms and conditions of this Agreement.

6. Securities Laws Restrictions. Notwithstanding any other provision of the Plan or this Agreement, the Company will not be required to issue any Common Shares pursuant to the vesting of the Restricted Stock Units if such issuance would constitute a violation of any applicable law or regulation or the requirements of any securities exchange or market system upon which the Common Shares may then be listed. In addition, Common Shares will not be issued hereunder unless (a) there is in effect with respect to such Common Shares a registration statement under the Securities Act of 1933, as amended (the "**Securities Act**"), or (b) in the opinion of legal counsel to the Company, the Common Shares are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Common Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Common Shares as to which such requisite authority has not been obtained. As a condition to the issuance of any Common Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

7. Certain Definitions.

a. "**Disability**" shall mean the Participant's inability due to physical or mental incapacity, to perform the essential functions of the Participant's job, for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty consecutive days.

b. "**Service**" means a Participant's service to the Company as a Director. A change in the capacity in which the Participant renders service to the Company as a Director shall be treated as a termination of the Participant's Service, unless the Committee otherwise determines in its sole discretion.

8. Miscellaneous.

a. Relation to the Plan. This Agreement is subject to the terms of, the Plan, the terms of which are incorporated by reference in this Agreement in their entirety. In the event of any inconsistency between the provisions of this Agreement and the Plan, the terms of the Plan will prevail.

b. Section 409A. The Restricted Stock Units are intended to be exempt from the provisions of Section 409A of the Code or, if not so exempt, to comply with Section 409A of the Code and, wherever possible, this Agreement and the Plan shall be construed and administered to the fullest extent possible to reflect such intent. To the extent that any payment or benefit hereunder constitutes non-exempt "nonqualified deferred compensation" for purposes of Section 409A of the Code, and such payment or benefit would otherwise be payable or distributable hereunder by reason of the Participant's termination of Service, all references to the Participant's termination of Service shall be construed to mean a "separation from service" as defined in Section 409A of the Code (a "**Section 409A Separation from Service**"), and the Participant shall not be considered to have a termination of Service unless such termination constitutes a Section 409A Separation from Service. If, at the time of a Participant's Section 409A Separation from Service, (i) the Participant will be a specified employee (within the meaning of Section 409A of the Code and using the identification methodology selected by the Company from time to time) and (ii) the Company makes a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A of the Code) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A of the Code in order to avoid taxes or penalties under Section 409A of the Code, then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it, without interest, on the tenth business day of the seventh month after such separation from service. In any case, a Participant will be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with the Plan and this Agreement (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any of its affiliates will have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes or penalties.

c. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the successors and permitted assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors and administrators.

d. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws provisions thereof. Any legal proceeding related to this Agreement will be brought in an appropriate Delaware court, and the parties to this Agreement consent to the exclusive jurisdiction of the court for this purpose.

e. Entire Agreement. This Agreement, the Award Notice and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the award of the Restricted Stock Units and supersedes all prior agreements, arrangements, plans and understandings relating to the award of the Restricted Stock Units and administration of the Plan.

f. Amendment and Waiver. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that (a) no amendment shall materially impair the rights of the Participant under this Agreement without the Participant's consent, and (b) the Participant's consent shall not be required to an amendment that is deemed necessary by the Company to ensure compliance with Section 409A of the Code.

g. Construction; Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement and all other provisions shall remain in full force and effect.

Exhibit 10.18

FORM OF INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT (this "***Agreement***"), dated [], 2022, is by and between BKV Corporation, a Delaware corporation (the "***Company***"), and [ ] ("***Indemnitee***").

WHEREAS, it is essential to the Company and its mission to retain and attract as officers and directors the most capable persons available;

WHEREAS, both the Company and Indemnitee recognize the risk of claims that are routinely asserted against officers and directors of public companies, and the associated costs of defending such claims;

WHEREAS, the Second Amended and Restated Certificate of Incorporation (as may be amended, restated or amended and restated from time to time, the "***Charter***") and the Amended and Restated Bylaws (as may be amended, restated or amended and restated from time to time, the " ***Bylaws***") of the Company provide certain indemnification rights to the officers and directors of the Company, as provided by Delaware law; and

WHEREAS, to induce Indemnitee to continue to serve as [a director/an executive officer] of the Company [or as a director/officer of another entity at the Company's request], the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent permitted by law (whether partial or complete) and as set forth in this Agreement, and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and Indemnitee's continuing to serve as [a director/an executive officer] of the Company, the parties hereto agree as follows:

1. Certain Definitions.

As used herein, the following words and terms shall have the following respective meanings (whether singular or plural):

"***Change in Control***" shall be deemed to have occurred upon the occurrence of any of the following events:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")) (a "***Person***") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of Voting Securities where such acquisition causes such Person to own 40% or more of the combined voting power of the then outstanding Voting Securities; *provided*, *however*, that for purposes of this subsection (i), the following acquisitions shall not be deemed to result in a Change in Control: (A) any acquisition by the Company or a wholly-owned subsidiary of the Company, (B) any acquisition directly from the Company that is approved by the Board of Directors of the Company (the "***Board of Directors***") prior to the transaction, (C) any acquisition by any Exempt Person or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (D) any acquisition by any corporation pursuant to a transaction that complies with clauses (A) and (B) of paragraph (iii) of this definition;

(ii) the replacement of a majority of the Board of Directors over a two–year period of the directors who constituted the Board of Directors at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the directors then still in office who either were members of such Board of Directors at the beginning of such period or whose election as a member of such Board of Directors was previously so approved; *provided*, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered to have been so approved;

(iii) the consummation of a reorganization, merger or consolidation or the sale or other disposition of all or substantially all of the assets of the Company, whether in one or a series of related transactions ("***Business Combination***"), excluding, however, such a Business Combination pursuant to which (A) the individuals and entities who were the beneficial owners of the outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination in substantially the same proportions as their ownership of the common stock of the Company and Voting Securities immediately prior to such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), and (B) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Board of Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company except pursuant to a Business Combination that complies with clauses (A) and (B) of paragraph (iii) of this definition.

"***Claim***" means any threatened, pending or completed action, suit, arbitration, alternative dispute resolution mechanism, inquiry or investigation (including any internal investigation, and whether instituted by the Company or any other party or otherwise), administrative hearing, or any other threatened, pending or completed proceeding, whether brought by or in the right of the Company or any other party or otherwise, whether civil (including intentional and unintentional tort claims), criminal, administrative, investigative or other.

"***Corporate Status***" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company, or is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, limited liability company, joint

venture, employee benefit plan, trust or other enterprise.

"***Exempt Person***" means each of Banpu Public Company Limited, a public company incorporated in and existing under the Laws of Thailand, and any corporation, company or other entity that is wholly owned by Banpu Public Company Limited, as of the relevant time.

"***Expenses***" shall include attorneys' fees and all other costs, expenses and obligations actually or reasonably paid or incurred in connection with investigating, defending, being a witness in, subject or target of, or participating in (including on appeal), or preparing to defend, be a witness in, subject or target of, or participate in, any Claim.

"***Independent Legal Counsel***" means an attorney or firm of attorneys, selected in accordance with the provisions of Section 3, who shall not have otherwise performed services for the Company, the Company's parent entity (if any), or Indemnitee within the last five years and who are not currently performing services for the Company, the Company's parent entity (if any), or Indemnitee, in each case, other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements.

"***Reviewing Party***" means any appropriate person or body consisting of a member or members of the Board of Directors or any other person or body appointed by the Board of Directors who is not a party to, or witness or other participant in, nor threatened to be made a party to, or witness or participant in, the particular Claim for which Indemnitee is seeking indemnification, or Independent Legal Counsel.

"***Voting Securities***" means the voting securities of the Company entitled to vote generally in the election of directors of the Company.

2. Basic Indemnification and Advancement Arrangement.

(a) In the event Indemnitee was, is or becomes a party to, subject or target of, or witness or other participant in, or is threatened to be made a party to, subject or target of, or witness or other participant in, a Claim by reason of (or arising in part out of) Indemnitee's Corporate Status, the Company shall indemnify Indemnitee to the fullest extent permitted by law as soon as practicable but in any event no later than thirty (30) days after written demand is presented to the Company (which demand (i) may only be presented to the Company following the final judicial disposition of the Claim, as to which all rights of appeal therefrom have been exhausted or lapsed (a "***Final Disposition***"), and (ii) shall contain sufficient information to reasonably inform the Company about the nature and extent of the indemnification sought by Indemnitee), against any and all Expenses, judgments, fines, penalties and amounts paid or payable in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties or amounts paid or payable in settlement) of such Claim.

(b) If so requested in writing by Indemnitee (which such written request shall contain sufficient information to reasonably inform the Company about the nature and extent of the Expense Advance (as defined below) sought by Indemnitee), prior to the Final Disposition of a Claim, the Company shall advance (within thirty (30) calendar days of such request) any and all Expenses actually and reasonably incurred by or on behalf of Indemnitee (including, without limitation, Expenses actually and reasonably billed to or on behalf of Indemnitee) in connection with any such Claim (an "***Expense Advance***").

(c) Notwithstanding the foregoing, (i) the obligations of the Company to indemnify Indemnitee under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written determination, or, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved, in a written opinion) that Indemnitee would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(b) shall be subject to the condition that, if the Reviewing Party determines in good faith that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; *provided*, *however*, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a Final Disposition is made with respect thereto. If there has not been a Change in Control, the Reviewing Party shall be selected by the Board of Directors, and if there has been such a Change in Control, the Reviewing Party shall be the Independent Legal Counsel referred to in Section 3 hereof. If there has been no determination by the Reviewing Party as contemplated by this Section 2(c) or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in the Court of Chancery of the State of Delaware seeking to enforce Indemnitee's rights to indemnification and advancement hereunder or challenging any such determination by the Reviewing Party or any aspect thereof, including the legal or factual bases therefor, and, in all events, the Company hereby consents to service of process and agrees to appear in any such proceeding. Any determination by the Reviewing Party that Indemnitee is entitled to indemnification shall be conclusive and binding on the Company and Indemnitee. Any determination by the Reviewing Party that Indemnitee is not permitted to be indemnified (in whole or in part) under applicable law shall be in writing (or, in any case in which the Independent Legal Counsel referred to in Section 3 hereof is involved, set forth in a written opinion).

3. Change in Control.

(a) The Company agrees that if there is a Change in Control of the Company then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or the Bylaws or Charter provision now or hereafter in effect, the Company shall seek legal advice only from Independent Legal Counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be permitted to be indemnified under applicable law.

(b) If (i) a written opinion with respect to Indemnitee's entitlement to indemnification hereunder is to be made by Independent Legal Counsel pursuant to Section 3(a) and (ii) within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 2(a), no Independent Legal Counsel shall have been selected by Indemnitee and approved by the Company, the Company or the Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Company to the Indemnitee's selection of Independent Legal Counsel and/or for the appointment as Independent Legal Counsel of a person selected by the petitioned court or by such other person as the petitioned court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Legal Counsel under this Section 3. If (A) the Independent Legal Counsel does not render a written opinion to the Company and Indemnitee with respect to Indemnitee's entitlement to indemnification hereunder within ninety (90) days after submission by Indemnitee of a written request therefor pursuant to Section 2(a) and (B) Indemnitee commences a legal proceeding in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, the Independent Legal Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to in this Section 3 and to fully indemnify such counsel against any and all expenses (including reasonable attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

4. Indemnification for Additional Expenses. The Company shall (i) indemnify Indemnitee (to the extent Indemnitee is successful on the merits or otherwise in the action provided for in this Section 4) against any and all Expenses (including reasonable attorneys' fees) and, (ii) if requested in writing by Indemnitee, advance (within thirty (30) calendar days of such request) such Expenses to Indemnitee (and Indemnitee hereby agrees to reimburse the Company for any amounts so advanced if, when, and to the extent Indemnitee is not successful on the merits or otherwise in the action provided for in this Section 4), which are incurred by Indemnitee in connection with any action brought by Indemnitee (whether pursuant to Section 23 of this Agreement or otherwise), in each case, for (a) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or the Bylaws or Charter provision now or hereafter in effect or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company, in all cases, to the fullest extent permitted by law.

5. Proceedings Against the Company; Certain Securities Laws Claims .

(a) Anything in this Agreement to the contrary notwithstanding, except as provided in Section 4 hereof, with respect to a Claim initiated against the Company by Indemnitee (whether initiated by Indemnitee in or by reason of such person's capacity as an officer or director of the Company or in or by reason of any other capacity), the Company shall not be required to indemnify or to advance Expenses to Indemnitee in connection with prosecuting such Claim (or any part thereof) or in defending any counterclaim, cross-claim, affirmative defense, or like claim of the Company in connection with such Claim (or part thereof) unless such Claim was authorized by the Company's Board of Directors. For purposes of this Section 5, a compulsory counterclaim by Indemnitee against the Company in connection with a Claim initiated against Indemnitee by the Company shall not be considered a Claim (or part thereof) initiated against the Company by Indemnitee, and Indemnitee shall have all rights of indemnification and advancement with respect to any such compulsory counterclaim in accordance with and subject to the terms of this Agreement.

(b) Anything in this Agreement to the contrary notwithstanding, except as provided in Section 6 hereof with respect to indemnification of Expenses in connection with whole or partial success on the merits or otherwise in defending any Claim, the Company shall not be required to indemnify Indemnitee in connection with any Claim made against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

6. Partial Indemnity and Success on the Merits. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties and amounts paid or payable in settlement of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee is successful, on the merits or otherwise, in whole or in part, in defending a Claim (including dismissal without prejudice), or in defense of any claim, issue or matter therein, Indemnitee shall be indemnified to the fullest extent permitted by law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

7. Burden of Proof. In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder or otherwise, the burden shall be on the Company to prove by clear and convincing evidence that Indemnitee is not so entitled.

8. No Presumptions. For purposes of this Agreement, the termination of any Claim, by judgment, order, settlement (whether with or without court approval) conviction, or otherwise, or upon a plea of *nolo contendere*, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. In addition, neither the failure of the Reviewing Party to have made a determination as to whether Indemnitee has met any particular standard of conduct or had any particular belief, nor an actual determination by the Reviewing Party that Indemnitee has not met such standard of conduct or did not have such belief, prior to the commencement of legal proceedings by Indemnitee to secure a judicial determination that Indemnitee should be indemnified under applicable law shall be a defense to Indemnitee's claim or create a presumption that Indemnitee has not met any particular standard of conduct or did not have any particular belief.

9. Settlement. Indemnitee shall be entitled to settle any Claim, in whole or in part, in such Indemnitee's sole discretion. To the fullest extent

permitted by law, any settlement of a Claim by Indemnitee shall be deemed the Final Disposition of such Claim for all purposes of this Agreement. The Company acknowledges that a settlement or other disposition short of final judgment on the merits may be successful if it permits a party to avoid expense, delay, distraction, disruption, and uncertainty. In the event that any Claim is resolved other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Claim with or without payment or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Claim. Any individual or entity seeking to overcome this presumption shall have the burden to prove by clear and convincing evidence that Indemnitee has not been successful on the merits or otherwise in such Claim.

10. Nonexclusivity; Subsequent Change in Law. The rights of Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Bylaws or Charter, under Delaware law, any agreement, a vote of stockholders or a resolution of directors or otherwise. To the extent that a change in Delaware law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Bylaws and Charter and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change.

11. Liability Insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

12. Amendments; Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver of any of the provisions of this Agreement be deemed or constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment in connection with any Claim made against Indemnitee to the extent Indemnitee has otherwise actually received payment (under any insurance policy, the Bylaws or otherwise) of the amounts otherwise indemnifiable hereunder.

15. Notices. Promptly after receipt by Indemnitee of notice of the commencement of any Claim, Indemnitee shall, if he or she anticipates or contemplates making a claim for Expenses or an advance pursuant to the terms of this Agreement, notify the Company of the commencement of such Claim; *provided*, *however*, that any delay in so notifying the Company shall not constitute a waiver or release by Indemnitee of rights hereunder and that any omission by Indemnitee to so notify the Company shall not relieve the Company from any liability that it may have to Indemnitee otherwise than under this Agreement. Any communication required or permitted to the Company shall be addressed to the Secretary of the Company and any such communication to Indemnitee shall be addressed to the Indemnitee's address as shown on the Company's records unless the Indemnitee specifies otherwise and shall be personally delivered or delivered by overnight mail delivery or sent by electronic mail. Any such notice shall be effective upon receipt.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, administrators, heirs, executors and personal and legal representatives. The Company agrees that in the event the Company or any of its successors (including any successor resulting from the merger or consolidation of the Company with another corporation or entity where the Company is the surviving corporation or entity) or assigns (i) consolidates with or merges into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any corporation or entity, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of the Company as a result of such transaction assume the obligations of the Company set forth in this Agreement. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as a director, officer, employee, agent or fiduciary of the Company or of any other enterprise at the Company's request.

17. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable in any respect, and the validity and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired and shall remain enforceable to the fullest extent permitted by law.

18. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement.

19. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

20. Headings. The Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

21. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

22. Use of Certain Terms. As used in this Agreement, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

23. Injunctive Relief. The parties hereto agree that Indemnitee may enforce this Agreement by seeking specific performance hereof, without any necessity of showing irreparable harm or posting a bond, which requirements are hereby waived, and that by seeking specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he or she may be entitled.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

BKV CORPORATION

By: _____
Name:
Title:

INDEMNITEE

_____
[Name]

[*Signature Page to Indemnity Agreement*]

Exhibit 10.19

EXECUTION VERSION

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into on August 4, 2020 by and between BKV Corporation, a Delaware corporation (the "Corporation"), and Christopher Pungya Kalnin ("Executive"). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Certain Definitions. Certain words or phrases used herein with initial capital letters shall have the meanings set forth in paragraph 8 hereof.

2. Employment. The Corporation offers to employ Executive with the Corporation, and Executive accepts such employment with the Corporation, upon and subject to the terms and conditions set forth in this Agreement for the period beginning on May 1, 2020 (the "Effective Date") and ending as provided in paragraph 5 hereof (the "Employment Period"), it being understood that the parties agree to renegotiate, in good faith, the terms and conditions of Executive's employment with the Corporation in the event the Employment Period has not concluded by December 31, 2030.

3. Position and Duties.

(a) During the Employment Period, Executive shall serve as the Chief Executive Officer (" CEO") of the Corporation and/or an executive of any subsidiary of the Corporation as may be designated by the Corporation and agreed upon by Executive from time to time (such subsidiaries, collectively, the "Group Companies" and, each and any of them, a "Group Company") and shall have the normal duties, responsibilities and authority of an executive serving in such position subject to the terms and conditions of the Stockholders' Agreement, the Bylaws, and the work rules and internal policies established by the Board, in good faith, from time to time. For so long as Executive holds the position of CEO, the Corporation shall use its good faith efforts to nominate Executive for election and re-election to the Board and to procure his election thereto at any applicable meeting of shareholders held for the purpose of electing directors, and Executive agrees to serve on the Board. Executive agrees that, unless specifically addressed in writing by the Corporation's parent entity, Executive's separation from employment or termination as the Corporation's CEO shall constitute his immediate and automatic resignation from the Board.

(b) During the Employment Period, Executive shall report solely to the Board.

(c) During the Employment Period, Executive shall devote all of Executive's reasonable best efforts and Executive's full business time and attention (except for permitted paid time off periods and reasonable periods of illness or other incapacity) to the Business; provided, however, that Executive may (i) engage in charitable and civic activities, (ii) manage his personal and/or family finances and/or investments, and (iii) subject to the consent of the Board, serve on any board of directors for other public or private companies, in each case so long as such activities do not compete with the Business, create any conflict with the interest of any Group Company or materially interfere, individually or in the aggregate, with the performance of his duties hereunder.

(d) Executive shall perform Executive's duties and responsibilities to the best of Executive's abilities in a diligent, trustworthy, businesslike and efficient manner.

(e) During the Employment Period, Executive shall perform Executive's duties and responsibilities principally at the Corporation's headquarters in Denver, Colorado area; provided, however, that Executive acknowledges that he may from time to time be required to engage in travel in connection with the performance of his duties hereunder.

4. Compensation and Benefits.

(a) Salary. Under this Agreement, Executive's initial annual base salary shall be $500,000.00, payable in 12 monthly installments based on the Corporation's payroll practices in the amount of $41,666.67 per month (prorated for any partial month). The annual base salary of Executive in effect from time to time is hereinafter referred to as the "Base Salary". The Board shall review the Base Salary annually commencing in the 2021 Financial Year and may, in its sole discretion, increase it.

(b) Annual Incentive Compensation. During the Employment Period, Executive will be eligible to receive an annual incentive compensation payment, based on the achievement of goals reasonably determined in good faith by the Board, which may include Executive's historical and anticipated future performance, the Business's growth and profitability, and other relevant considerations (the "Annual Incentive Compensation").

(i) Target of Annual Incentive Compensation. During the Employment Period, with respect to the 2020 Financial Year and each Financial Year thereafter, Executive's target incentive compensation amount is equal to 100% of the amount of the Base Salary for such Financial Year ("Target Incentive Compensation Amount").

(ii) Payment of Annual Incentive Compensation. The Annual Incentive Compensation will be calculated on a sliding scale, with ranges above and below target, consistent with the Annual Incentive Compensation calculations prepared by the Corporation's compensation committee for the Board, as approved by the Board, and provided to Executive during the applicable Financial Year. Except as otherwise set forth herein, Executive will be required to be employed by the Corporation on December 31st of the Financial Year to which the Annual Incentive Compensation relates in order to be eligible to receive the applicable Annual Incentive Compensation payment under this subparagraph 4(b). The Annual Incentive Compensation will be paid by no later than March 15th of the Financial Year following the Financial Year to which such Annual Incentive Compensation relates.

(c) Paid Time Off. During the Employment Period, Executive shall be entitled to eight (8) weeks of paid time off during each Financial Year (prorated for any partial Financial Year). Any accrued paid time off that is not used in the Financial Year in which it is earned will not be eligible to be carried forward to, or otherwise used in, any subsequent Financial Year.

(d) Holidays. During the Employment Period, Executive shall be entitled to holidays consistent with the Corporation's policy established by the Board, which may be amended from time to time by the Board.

(e) Standard Benefits Package. Executive shall be eligible during the Employment Period to participate, on the same basis as other employees of the Corporation, in the Corporation's Standard Benefits Package. The Corporation's "Standard Benefits Package" means those benefits that are offered to all employees of the Corporation on a uniform and nondiscriminatory basis, including health insurance coverage and participation in a 401(k) plan, if such programs are sponsored by the Corporation.

(f) Long-Term Incentive Compensation. With respect to each Financial Year during the Employment Period beginning with the 2020 Financial Year, Executive shall be eligible to participate in the Corporation's 2020 Employee Equity Incentive Plan, maintained by the Corporation (and any successor plan thereto) (the "Equity Plan") at a level commensurate with his position as CEO. Notwithstanding anything herein to the contrary, it is agreed that each year for a period of four years (2020, 2021, 2022 and 2023) Executive shall be granted an equity award in the form of restricted stock units (each an "Annual RSU Grant") that is equal to, at least, 325,900 shares of the share reserve under the Equity Plan per year in accordance with and subject to the terms of the Equity Plan.

5. Employment Period. The Employment Period shall end early upon the first to occur of any of the following events:

(a) Executive's death;

(b) a separation of Executive's employment hereunder that is effected by the Corporation due to Executive's Permanent Disability;

(c) the Corporation and Executive mutually agree in writing to terminate this Agreement without agreeing to enter into a new employment contract that would become effective on or about the time that this Agreement terminates;

(d) a Separation For Cause;

(e) a Separation Without Cause;

(f) a Separation With Good Reason; or

(g) a Voluntary Separation.

6. Post-Employment Payments.

(a) At the end of Executive's employment for any reason, Executive shall cease to have any rights to salary, equity awards, expense reimbursements or other benefits, except that Executive shall be entitled to (i) any portion of the Base Salary which has accrued but is unpaid, (ii) any Annual Incentive Compensation set forth in subparagraph 4(b) above that has been earned for a prior Financial Year but is unpaid, (iii) any reimbursable expenses which have been incurred but are unpaid, (iv) any paid time off days which have accrued pursuant to the Corporation's paid time off policy, as in effect from time to time, but are unused, as of the end of the Employment Period, and (v) any benefits to which Executive is entitled under Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("COBRA") (the foregoing (i) through (v) being, the "Accrued Rights").

(b) If the Employment Period ends pursuant to paragraph 5 on account of a Separation For Cause or a Voluntary Separation, the Corporation shall pay Executive (i) the Accrued Rights and (ii) any option or other equity-grant rights or plan benefits to the extent that they have already vested in accordance with the Corporation's Equity Plan by the time of such separation.

(c) If the Employment Period ends pursuant to paragraph 5 on account of a Separation Without Cause or a Separation With Good Reason, any outstanding Annual RSU Grant shall become vested and the Corporation shall pay Executive (i) the Accrued Rights and (ii) an amount equal to 200% of the aggregate amount of the Base Salary plus the Target Incentive Compensation Amount at the time of such separation. The amounts payable under clause (ii) of the preceding sentence shall be paid in a lump sum on the 61st day after the date on which such separation of employment occurs (the "Severance Payment Date"), it being understood that the amounts payable under clause (i) of the preceding sentence shall be payable in accordance with applicable law or their applicable terms, but in no event later than the Severance Payment Date.

(d) If the Employment Period ends pursuant to paragraph 5 on account of a Separation Without Cause or Separation With Good Reason, if Executive elects continuation coverage under the Corporation's medical plan pursuant to COBRA, the Corporation shall reimburse Executive (provided such reimbursement does not result in material taxes or penalties for the Corporation) for the full amount of Executive's COBRA premium payments for such coverage and his eligible dependents until the earlier of (i) Executive's eligibility for any such coverage under another employer's or any other medical plan or (ii) the date that is eighteen (18) months following the separation of Executive's employment. The Corporation shall make any such reimbursement within thirty (30) days following receipt of evidence from Executive of Executive's payment of the COBRA premium.

(e) It is expressly understood that the Corporation's payment obligations under subparagraphs 6(b), 6(c) or 6(d), as applicable, shall cease in the event Executive breaches in any material respect any of the agreements in paragraphs 7 or 9 hereof. Each payment under subparagraphs 6(b), 6(c) or 6(d), as applicable, shall be considered a separate payment and not one of a series of payments for purposes of Section 409A.

(f) Executive shall not be required to mitigate the amount of any payment provided for under subparagraphs 6(b), (c) or 6(d), as applicable,

by seeking other employment and such amounts shall not be reduced whether or not Executive obtains other employment, except as provided in subparagraph 6(e).

(g) Release. Notwithstanding anything in this Agreement to the contrary, the Corporation shall not be obligated to make any payment under subparagraphs 6(b), 6(c) or 6(d), as applicable, unless (1) Executive timely executes the Release Agreement attached hereto as Exhibit A within the Consideration Period (as defined therein) and (ii) Executive does not revoke such execution or signature within the Revocation Period (as defined therein).

7. Competitive Activity; Confidentiality; Non-Solicitation.

(a) Acknowledgements and Agreements. Executive hereby understands and agrees that trade secrets and Confidential Information of the Corporation and the Group Companies, more fully described in subparagraph 7(e)(i), gained by Executive during Executive's association with the Corporation or any Group Company, have been developed by the Corporation or such Group Company (as applicable) through substantial expenditures of time, effort and money and constitute valuable and unique property of the Corporation or such Group Company (as applicable). Executive further understands and agrees that the foregoing makes it necessary for the protection of the Business that Executive not compete with the Corporation or any Group Company during his employment with the Corporation, and not compete with the Corporation or any Group Company for a reasonable period thereafter, as further provided in the following subparagraphs. In consideration for Executive's receipt of trade secrets and Confidential Information, Executive agrees to the following restrictive covenants:

(b) Covenants.

(i) Covenants During Employment. While being employed by the Corporation, Executive will not compete with the Corporation or any Group Company anywhere in the world. In accordance with this restriction, but without limiting its terms, while employed by the Corporation, Executive will not do or attempt to do any of the following:

(A) entering into or engaging in any business which competes with the Business;

(B) soliciting any customers, business, assets, investments or patronage (or customer, business, asset, investment or patronage prospects) for, or selling, any products or services in competition with or for, any business that competes with the Business;

(C) diverting, enticing or otherwise taking away any customers, business, assets or investments or patronage (or customer, business, asset, investment or patronage prospects) of the Corporation or any Group Company; or

(D) promoting, managing or assisting, financially or otherwise, any Person, firm, association, partnership, corporation or other entity engaged in any business which competes with the Business.

(ii) Covenants Following Separation. For a period of eighteen (18) months following a separation of Executive's employment, Executive shall not:

(A) enter into or engage in any business which competes with the Business within the Restricted Territory;

(B) solicit any known customers, business, assets, investments or patronage (or customer, business, asset, investment or patronage prospects) for, or sell, any products or services in competition with or for, any business that competes with the Business within the Restricted Territory;

(C) divert, entice or otherwise take away any known customers, business, assets or investments or patronage (or customer, business, asset, investment or patronage prospects) of the Corporation or any Group Company within the Restricted Territory; or

(D) promote, manage or assist, financially or otherwise, any Person, firm, association, partnership, corporation or other entity engaged in any business which competes with the Business within the Restricted Territory.

Notwithstanding the foregoing, following a separation of Executive's employment as a result of a Separation Without Cause or a Separation With Good Reason, Executive shall not be considered to have breached this subparagraph 7(b)(ii) if Executive provides services to a business unit, division or subsidiary of an entity that otherwise competes with the Business through another business unit, division or subsidiary of such entity, so long as Executive only provides services to the business unit, division or subsidiary that does not compete with the Business and Executive takes no actions that would compete with the Business or otherwise violate any of the provisions of this paragraph 7 or of paragraph 9. For purposes of this subparagraph 7(b)(ii), customers, business or patronage (or active customer, business or patronage prospects) shall be presumed as "known" to the extent the Corporation, in good faith, treated such customers, business or patronage (or active customer, business or patronage prospects) as such at any time during the twelve (12) month period prior to Executive's separation of employment.

(iii) Indirect Competition. For the purposes of subparagraphs 7(b)(i) and (ii), but without limiting such provisions, Executive will be in violation thereof if Executive engages in any or all of the activities set forth therein directly as an individual on Executive's own account, or indirectly as a partner, joint venturer, employee, agent, salesperson, consultant, officer and/or director of any firm, association, partnership, corporation or other entity, or as a shareholder of any corporation (or owner of any other type of equity interest in any other entity) in which Executive or Executive's spouse (to the extent Executive and Executive's spouse are not legally separated), minor child or parent sharing the same household as Executive owns, directly or indirectly,

individually or in the aggregate, more than one percent (1%) of the outstanding stock or other equity interests.

(iv) If it is judicially determined, or by consent of Executive, that Executive has violated this subparagraph 7(b) and the Corporation obtains an order, injunction or other equitable relief, then the period applicable to each obligation that Executive has been determined to have violated will be automatically extended by a period of time equal in length to the period during which such violation occurred.

(c) The Corporation. For purposes of this paragraph 7, the Corporation shall include the Corporation, the Group Companies and any and all other direct and indirect subsidiary, parent, affiliated, or related companies of the Corporation for which Executive worked or had responsibility at the time of separation of his employment and at any time prior to such separation.

(d) Non-Solicitation; Non-Association. Executive will not directly or indirectly at any time during the period of Executive's employment, or for a period eighteen (18) months following a separation of Executive's employment, disrupt, damage, impair or interfere with the Business by raiding any of the Corporation's or any Group Company's employees, soliciting any of them to resign from their employment by the Corporation or such Group Company (as applicable) or associating with any of them for the express purpose of encouraging them to resign from their employment by the Corporation or such Group Company (as applicable), or by disrupting the relationship between the Corporation or any Group Company and any of its consultants, agents or representatives, or attempt to do any of the foregoing; provided, however, that this subparagraph 7(d) shall not prohibit Executive from providing references for the Corporation's or a Group Company's employees, when contacted by a prospective employer. Executive acknowledges that this covenant is necessary to enable the Corporation and the Group Companies to maintain a stable workforce and remain in business.

(e) Further Covenants.

(i) Executive will keep in strict confidence, and will not, directly or indirectly, at any time, during or after Executive's employment with the Corporation, disclose, furnish, disseminate, make available or, except in the course of performing Executive's duties of employment, use any trade secrets, proprietary data and information relating to the Corporation or any Group Company's past, present, or future business and products, price lists, customer lists, customer contracts, processes, procedures, plans or standards, know-how, manuals, business strategies, records, drawings, specifications, designs, financial information, whether or not reduced to writing, registered or labeled as confidential, or information or data that the Corporation or any Group Company advises Executive should be treated as confidential information, including without limitation as to when or how Executive may have acquired such information ("Confidential Information"), except (A) as required in the performance of his duties to the Corporation, (B) to the extent that Executive is required by law, or requested by subpoena, court order or governmental, regulatory or self-regulatory body with apparent authority to disclose any Confidential Information (provided that in such case, Executive shall (x) provide the Board, to the extent legally permitted, with notice as soon as practicable following such request that such disclosure has been requested or is or may be required, (y) reasonably cooperate with the Board, at the Corporation's expense, in protecting, to the maximum extent legally permitted, the confidential or proprietary nature of such Confidential Information, and (z) disclose only that Confidential Information which he is legally required to disclose), (C) disclosing information that has been or is hereafter made public through no act or omission of Executive in violation of this Agreement, the Stockholders' Agreement or any other confidentiality obligation or duty owed to the Corporation or any Group Company, (D) disclosing information and documents to his attorney or tax adviser for the purpose of securing legal or tax advice (provided that such advisors undertake to the Corporation to keep such information confidential), or (E) disclosing information and documents to the extent reasonably appropriate in connection with any litigation or arbitration between Executive and the Corporation or any Group Company. Executive specifically acknowledges that all such Confidential Information, whether reduced to writing, maintained on any form of electronic media, or maintained in the mind or memory of Executive and whether compiled by the Corporation or any Group Company, and/or Executive, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use, that reasonable efforts have been made by the Corporation and the Group Companies to maintain the secrecy of such information, that such information is the sole property of the Corporation or the Group Companies (as applicable) and that any retention and use of such information by Executive during Executive's employment with the Corporation (except in the course of performing Executive's duties and obligations to the Corporation) or after the separation of Executive's employment shall constitute a misappropriation of the Corporation's and the Group Companies' trade secrets.

(ii) The U.S. Defend. Trade Secrets Act of 2016 ("DTSA") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

(iii) Executive agrees that upon separation of Executive's employment with the Corporation, for any reason, Executive shall return to the Corporation, in good condition, all property of the Corporation, including without limitation, the originals and all copies of any documents and materials which are under his possession and contain, reflect, summarize, describe, analyze or refer or relate to any items of information listed in subparagraph 7(e)(i) of this Agreement. Notwithstanding the foregoing, Executive shall be permitted to retain or copy (A) his contacts, calendar and personal correspondence, and (B) any documents or information related to his compensation or reasonably needed for Executive's tax purposes.

(iv) Nothing in this Agreement prevents Executive from, providing, without prior notice to the Corporation, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations.

(f) Discoveries and Inventions; Work Made for Hire.

(i) Executive agrees that upon conception and/or development of any idea, discovery, invention, improvement, innovation, analysis, report, drawing, copyright, patent, trademark, intellectual property right, software, writing or other definite and useful idea or compilation of information of value ("Intellectual Development") that: (A) relates to the Business, or (B) relates to the Corporation's or any Group Company's actual or demonstrably anticipated research or development, or (C) results from any work performed by Executive for the Corporation or any Group Company, Executive will assign to the Corporation (or a Group Company designated by the Corporation) the entire right, title and interest in and to any such Intellectual Development. Executive has no obligation to assign any Intellectual Development that Executive conceives and/or develops entirely on Executive's own time without using the Corporation's or any Group Company's equipment, supplies, facilities, or trade secret information unless the Intellectual Development either: (x) relates to the business of the Business, or (y) relates to the Corporation's or any Group Company's actual or demonstrably anticipated research or development, or (z) results from any work performed by Executive for the Corporation or any Group Company. Executive agrees that any Intellectual Development that relates to the business of the Corporation or any Group Company or relates to the Corporation's or any Group Company's actual or demonstrably anticipated research or development which is conceived or suggested by Executive, either solely or jointly with others, within eighteen (18) months following separation of Executive's employment under this Agreement or any successor agreements shall be presumed to have been so made, conceived or suggested in the course of such employment with the use of the Corporation's or a Group Company's equipment, supplies, facilities, and/or trade secrets.

(ii) In order to determine the rights of Executive and the Corporation or a Group Company in any Intellectual Development, and to insure the protection of the same, Executive agrees that during Executive's employment, and, to the extent related to the Business, for eighteen (18) months after the separation of Executive's employment under this Agreement or any successor agreement, Executive will disclose immediately and fully to the Corporation any Intellectual Development conceived, made or developed by Executive solely or jointly with others. The Corporation agrees to keep any such disclosures confidential. Executive also agrees during Executive's employment, and, to the extent related to the Business, for eighteen (18) months after the separation of Executive's employment under this Agreement or any successor agreement, to record descriptions of all work in the manner directed by the Corporation and agrees that all such records will be the exclusive property of the Corporation and the Group Companies. Executive agrees that at the request of and without charge to the Corporation, but at the Corporation's expense, Executive will execute a written assignment of the Intellectual Development to the Corporation and will assign to the Corporation (or a Group Company designated by the Corporation) any application for letters patent or for trademark registration made thereon, and to any common-law or statutory copyright therein; and that Executive will do whatever may be necessary or desirable to enable the Corporation to secure any patent, trademark, copyright, or other property right therein in the United States and in any foreign country, and any division, renewal, continuation, or continuation in part thereof, or for any reissue of any patent issued thereon. In the event the Corporation is unable, after reasonable effort, and in any event after ten (10) business days, to secure Executive's signature on a written assignment to the Corporation (or its designated Group Company) of any application for letters patent or to any common-law or statutory copyright or other property right therein, whether because of Executive's physical or mental incapacity or for any other reason whatsoever, Executive irrevocably designates and appoints the General Counsel of the Corporation as Executive's attorney-in-fact to act on Executive's behalf to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of such letters patent, copyright or trademark.

(iii) Executive acknowledges that, to the extent permitted by law, all work papers, reports, documentation, drawings, photographs, negatives, tapes and masters therefor, prototypes and other materials (hereinafter, "items"), including without limitation, any and all such items generated and maintained on any form of electronic media, generated by Executive during Executive's employment with the Corporation shall be considered a "work made for hire" and that ownership of any and all copyrights in any and all such items shall belong to the Corporation and the Group Companies.

(g) Confidentiality Agreements. Executive agrees that Executive shall not disclose to the Corporation or induce the Corporation to use any secret or confidential information belonging to Executive's former employers. Executive represents and warrants that Executive is not bound by the terms of a confidentiality agreement or other agreement with a third party that would preclude or limit Executive's right to work for the Corporation and the Group Companies and/or to disclose to any of them any Intellectual Development that may be conceived during employment with the Corporation. Executive agrees to provide the Corporation with a copy of any and all agreements with a third party that preclude or limit Executive's right to make disclosures or to engage in any other activities contemplated by Executive's employment with the Corporation.

(h) Relief. Executive acknowledges and agrees that the remedy at law available to the Corporation for breach of any of Executive's obligations under this Agreement would be inadequate. Executive therefore agrees that, in addition to any other rights or remedies that the Corporation may have under the Stockholders' Agreement, at law or in equity, temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision contained in subparagraphs 7(b), 7(d), 7(e), 7(f) and 7(g) or in paragraph 9 of this Agreement, without the necessity of proof of actual damage.

(i) Stockholders' Agreement. Nothing in this Agreement limits the obligations of Executive under the public announcements and confidentiality provisions of the Stockholders' Agreement.

(j) Reasonableness. Executive acknowledges that Executive's obligations under this paragraph 7 and paragraph 9 of this Agreement are reasonable in the context of the nature of the Business and the competitive injuries likely to be sustained by the Corporation and the Group Companies if Executive were to violate such obligations. Executive further acknowledges that this Agreement is made in consideration of, and is adequately supported by the agreement of the Corporation to perform its obligations under this Agreement and by other consideration, which Executive acknowledges constitutes good, valuable and sufficient consideration.

8. Definitions.

(a) "Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with the Corporation. In this definition, the term "control" (including with the correlative meaning, the terms "controlled by" and "under common control with"), as applied to any Person,

means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract, or otherwise.

(b) "Board" means the Board of Directors of the Corporation.

(c) "Business" means (i) the purchasing, selling, or marketing of natural gas, natural gas liquids, oil, hydrocarbons, brine, produced water or any derivative product thereof, including, without limitation, locating buyers and sellers, or negotiating purchase and sales contracts; (ii) the gathering, processing, fractionation, stabilization, and/or transporting of natural gas, natural gas liquids, oil, hydrocarbons, brine, produced water, or any derivative product thereof; (iii) any exploration for natural gas, natural gas liquids, oil, hydrocarbons, brine, produced water, or any derivative product thereof; (iv) investment in any Person that engages in any of the foregoing activities under sub-clauses (i) through (iii) above; and (v) the conduct of a business enterprise that is in an upstream oil and gas industry in North America that contributes ten percent (10%) or more to the Corporation's gross revenue or deploys ten percent (10%) or more of the Corporation's fixed assets.

(d) "Bylaws" means the Bylaws of the Corporation, as such Bylaws may be adopted and/or amended from time to time in accordance with the Stockholders' Agreement.

(e) "Change in Control" means, in relation to the Corporation, where a person who did not previously exercise control over the Corporation acquires, or otherwise becomes able to exercise, control, or where a person who was previously able to exercise control over the Corporation ceases to be in a position to do so. In this definition, the term "control" means (i) control of more than two-thirds of the total voting rights conferred by all the issued and outstanding stock in the Corporation which are ordinarily exercisable in a general meeting, or (ii) the power to appoint the majority of the directors on the Board.

(f) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such laws, rules and regulations may be amended from time to time.

(g) "FCPA" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, as such laws, rules and regulations may be amended from time to time.

(h) "Financial Year" means the financial year of the Corporation or the Group Companies (as applicable), which in each case (other than in the case of its first financial year) shall commence on January 1st and end on December 31st, provided that the first financial year of the Corporation shall be deemed to have commenced on May 1st, 2020 and end on December 31st, 2020.

(i) "Permanent Disability" means that Executive, because of accident, disability, or physical or mental illness, is incapable of performing Executive's duties to the Corporation or any Group Company, as determined by the Board. Notwithstanding the foregoing, Executive will be deemed to have become incapable of performing Executive's duties to the Corporation or any Group Company, if Executive is incapable of so doing for (i) a continuous period of one hundred and twenty (120) days and remains so incapable at the end of such 120-day period or (ii) periods amounting in the aggregate to one hundred and eighty (180) days within any one period of 365 days and remains so incapable at the end of such aggregate period of one hundred and eighty (180) days.

(j) "Person" means any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

(k) "Restricted Territory" means: (i) the United States and Canada; and/or (ii) all of the specific customer accounts, whether within or outside of the geographic area described in (i) above, with which Executive had any contact or for which Executive had any responsibility (either direct or supervisory) at the time of the separation of Executive's employment and at any time during the two-year period prior to such separation.

(l) "Separation For Cause" means the separation of Executive's employment hereunder that is effected by the Corporation as a result of: (i) Executive's indictment (or other criminal charge against Executive) for a felony, or Executive's commission of fraud against the Corporation or any Group Company, (ii) misconduct by Executive that brings the Corporation or any Group Company or Affiliate of the Corporation into substantial public disgrace or disrepute, (iii) Executive's gross negligence or gross misconduct with respect to the Corporation, any Group Company or any other subsidiary or affiliate of the Corporation, (iv) Executive's insubordination to, or material failure to follow, the lawful directions of the Board or the Board Reserved Matters (as defined in the Stockholders' Agreement), which, if curable, is not cured within ten (10) days after written notice thereof to Executive, (v) Executive's material violation of paragraph 7 or 9 hereof, (vi) Executive's material breach of any work rule or internal policy of the Corporation that is established in good faith which, if curable, is not cured within ten (10) days after written notice thereof to Executive, (vii) Executive violation of the FCPA or any state or federal anti-money laundering laws or (viii) any material breach by Executive of this Agreement (other than paragraphs 7 and 9) is not cured within thirty (30) days after written notice thereof to Executive. Notwithstanding the foregoing, no separation by the Corporation shall constitute a "Separation For Cause" unless (A) the Corporation provides Executive reasonable written notice of its intent to effect the separation of Executive by reason of a Separation For Cause, which such notice must include a statement that a majority of the Board has determined in good faith that an event described in clause (i), (ii), (iii), (iv), (v), (vi) or (vii) exists and (B) Executive is given reasonable opportunity during the thirty (30) day period after receiving the notice described in the preceding clause (A) to be heard by the Board with Executive's legal counsel.

(m) "Separation With Good Reason" means a separation of Executive's employment hereunder that is effected by Executive after: (i) a material reduction in either the Base Salary or the Target Incentive Compensation Amount, other than as part of an across-the-board reduction applicable to all Corporation executives of no greater than 10%, (ii) the material diminution in Executive's position, duties, authority, reporting or responsibilities, (iii) any material breach by the Corporation of this Agreement (including the failure of the Corporation to satisfy the last sentence of paragraph 16 or its obligations in the second to last sentence of subparagraph 3(a)), (iv) any of the events set out under Clause 19.1.1(i) to (iii) of the Stockholders Agreement occurs and Executive elects

to sell all (and not less than all) of the Stocks owned by him in accordance with Clause 19 of the Stockholders' Agreement or (v) the involuntary permanent relocation ("permanent relocation" shall be defined as requiring Executive to be in such other location for more than 90 days per Financial Year) of Executive's principal place of employment to a location more than thirty-five (35) miles beyond Executive's principal place of employment in Denver, Colorado as of the Effective Date. Notwithstanding the foregoing, no separation of employment by Executive shall constitute a "Separation With Good Reason" unless (A) Executive gives the Corporation notice of the existence of an event described in clause (i), (ii), (iii), (iv) or (v) above, within thirty (30) days following the occurrence thereof, (B) the Corporation does not remedy such event described in clause (i), (ii), (iii) or (v) above, as applicable, within sixty (60) days of receiving the notice described in the preceding clause (A), and (C) Executive effects such separation of employment within ninety (90) days of the end of the cure period specified in clause (B) above.

(n) "Separation Without Cause" means the separation of Executive's employment hereunder that is effected by the Corporation for any reason other than a separation by reason of Executive's death, for Permanent Disability or a Separation For Cause (it being understood that the Corporation shall use commercially reasonable efforts to avoid effecting a Separation Without Cause during the one-year period after the Effective Date).

(o) "Stockholders' Agreement" means the Stockholders' Agreement dated 1 May 2020 relating to relating to BKV Corporation and its Group Companies, as such agreement may be amended from time to time.

(p) "Voluntary Separation" means the separation of Executive's employment hereunder that is effected by Executive for any reason, other than a Separation With Good Reason (it being understood that Executive may voluntarily resign his employment at any period after the Effective Date), by the Executive giving prior notice to the Corporation at least one hundred and eighty (180) days prior to the effective date of such separation.

9. Non-Disparagement. Executive agrees not to disparage the Corporation, any Group Company or any of their respective businesses, assets, investments, products or practices, or any of their respective directors, officers, agents, representatives, partners, members, or Affiliates, either orally or in writing, at any time, and the Corporation shall use its commercially reasonable best efforts (and shall cause the Group Companies to use their commercially reasonable best efforts) to not disparage, and shall instruct their respective directors and executive officers not to disparage, Executive, either orally or in writing, at any time; provided, however, that Executive and the Corporation (and its directors and executive officers) may confer in confidence with their respective legal representatives and make truthful statements as required by law, or by governmental, regulatory or self-regulatory investigations or as truthful testimony in connection with any litigation involving Executive and the Corporation. During the Employment Period, this paragraph 9 shall only apply to public statements or private statements that are reasonably likely to become public as a result of communication to any person or entity that is a member of, employed or engaged by, or directly connected to any broadcast or other media.

10. Survival. Subject to any limits on applicability contained therein, paragraph 7 and paragraph 9 hereof shall survive and continue in full force in accordance with their terms notwithstanding any ending of the Employment Period.

11. Taxes. The Corporation may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Corporation is required to withhold pursuant to any applicable law, regulation or ruling. Notwithstanding any other provision of this Agreement, the Corporation shall not be obligated to guarantee any particular tax result for Executive with respect to any payment provided to Executive hereunder, and Executive shall be responsible for any taxes imposed or assessed on Executive with respect to any such payment.

12. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to Executive:

At the address contained in the Corporation's payroll records

Notices to the Corporation:

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Board of Directors and General Counsel

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered.

13. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, but this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

14. Complete Agreement. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral which may have related to the subject matter hereof in any way; provided, however, that for the avoidance of doubt, this Agreement shall have no effect on the Executive's or the Corporation's respective rights or the exercise thereof as set forth in Clauses 18 and 19 of the Stockholders Agreement.

15. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

16. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Corporation and their respective heirs, executors, personal representatives, successors and assigns, except that neither party may assign any rights or delegate any obligations hereunder without the prior written consent of the other party. Executive hereby consents to the assignment by the Corporation of all of its rights and obligations hereunder to any successor to the Corporation by merger or consolidation or purchase of all or substantially all of the Corporation's assets; provided such transferee or successor assumes the liabilities of the Corporation hereunder. The Corporation shall require any successor to all or substantially all of its assets (whether direct or indirect, by purchase, merger, consolidation or otherwise) to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had taken place.

17. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal, substantive laws of the State of New York without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

18. Dispute Resolution; Arbitration. Any dispute or controversy arising out of or relating to Executive's employment, this Agreement (other than paragraph 7, which shall be determined by any court with competent jurisdiction), or the breach, termination or validity thereof, shall be finally determined and settled by binding, confidential arbitration conducted expeditiously in accordance with the rules for employment disputes in the Employment Arbitration Rules of the American Arbitration Association (the "AAA") before one arbitrator of exemplary qualifications and stature, who shall be selected by mutual agreement by the parties hereto, or if the parties cannot agree on the selection of the arbitrator, who shall be selected by the AAA. The arbitrator, and not any federal, state, or local court or agency, shall have the exclusive authority to resolve any question as to the arbitrability of a dispute and/or any dispute relating to the interpretation, applicability, enforceability, or formation of this Agreement. Either Executive or the Corporation may apply to a court of competent jurisdiction for temporary or preliminary injunctive relief in connection with a dispute; provided, however, that all issues of final relief shall be decided in arbitration, and the pursuit of the temporary or preliminary injunctive relief shall not constitute a waiver of rights under this Agreement. All disputes will be arbitrated on an individual basis, and not on a class, collective, representative, or similar basis. Any such arbitration shall take place in the City of Denver, Colorado. The arbitration shall be governed by the Federal Arbitration Act and any judgment upon the award decided upon by the arbitrator may be entered by any court having jurisdiction thereof. Each party hereby acknowledges that compensatory damages include (without limitation) any benefit or right of indemnification given by another party to the other under this Agreement. The prevailing party in any such arbitration shall be entitled to recover from the other party its reasonable costs in connection therewith. To the maximum extent permitted by law, the parties, the witnesses, and the arbitrator shall treat all proceedings under this provision and any documents, filings, statements of claim, testimony, transcripts, expert reports, and the decisions of the arbitrator as confidential and shall not disclose any of the foregoing to any person or entity except in connection with proceedings conducted under this provision. The parties may disclose any information, document, or record that is governed by this provision, including any arbitration award, as may be required by applicable law or as necessary to enforce an arbitration award.

19. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Corporation and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

20. Section 409A Compliance.

(a) The parties intend for this Agreement to either comply with, or be exempt from, Section 409A, and all provisions of this Agreement will be interpreted and applied accordingly. If any compensation or benefits provided by this Agreement may result in the application of Section 409A, the Corporation shall, in consultation with the Executive, modify the Agreement in the least restrictive manner necessary in order to exclude such compensation from the definition of "deferral of compensation" within the meaning of such Section 409A or in order to comply with the provisions of Section 409A and without any diminution in the value of the payments or benefits to the Executive. In no event, however, shall this paragraph 20 or any other provisions of this Agreement be construed to require the Corporation to provide any gross-up for the tax consequences of any provisions of, or payments under, this Agreement and the Corporation shall have no responsibility for tax consequences to Executive (or his beneficiary) resulting from the terms or operation of this Agreement. Any payments or reimbursements of any expenses provided for under this Agreement shall be made in accordance with Treas. Reg. §1.409A-3(i)(1)(iv).

(b) To the extent that any payment or benefit pursuant to this Agreement constitutes a "deferral of compensation" subject to Section 409A (after taking into account to the maximum extent possible any applicable exemptions) (a "409A Payment") treated as payable upon Separation from Service, then, if on the date of the Executive's Separation from Service, the Executive is a Specified Employee, then to the extent required for Executive not to incur additional taxes pursuant to Section 409A, no such 409A Payment shall be made to the Executive earlier than the earlier of (i) six (6) months after the Executive's Separation from Service or (ii) the date of his death. Should this paragraph 20 result in payments or benefits to Executive at a later time than otherwise would have been made under this Agreement, on the first day any such payments or benefits may be made without incurring additional tax pursuant to Section 409A, the Corporation shall make such payments and provide such benefits as provided for in this Agreement. For purposes of this paragraph 20, the terms "Specified Employee" and "Separation from Service" shall have the meanings ascribed to them in Section 409A.

21. Indemnification. Executive shall be entitled to the protections (including insurance coverage) afforded in the Director and Officer Indemnification Agreement, dated as of September 26, 2018, between Executive and the Corporation.

22. Section 280G of the Code. In the event that any payments, distributions, benefits or entitlements of any type payable to Executive, whether or not payable upon a separation of Executive's employment ("Payments"), (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this paragraph 22 would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments shall be

reduced to such lesser amount (the "Reduced Amount") that would result in no portion of the Payments being subject to the Excise Tax; provided, however, that such Payments shall not be so reduced if a nationally recognized accounting firm selected by the Corporation in good faith (the "Accountants") determines that without such reduction Executive would be entitled to receive and retain, on a net after-tax basis (including, without limitation, any excise taxes payable under Section 4999 of the Code, federal, state and local income taxes, social security and Medicare taxes and all other applicable taxes, determined by applying the highest marginal rate under Section 1 of the Code and under state and local tax laws which applied (or is likely to apply) to Executive's taxable income for the tax year in which the transaction which causes the application of Section 280G of the Code occurs, or such other rate(s) as the Accountants determine to be likely to apply to Executive in the relevant tax year(s) in which any of the Payments are expected to be made), an amount that is greater than the amount, on a net after-tax basis, that Executive would be entitled to retain upon receipt of the Reduced Amount. Unless the Corporation and Executive otherwise agree in writing, any determination required under this paragraph 22 shall be made in good faith by the Accountants in a timely manner and shall be binding on the parties absent manifest error. In the event of a reduction of Payments hereunder, the Payments shall be reduced in the order determined by the Accountants that results in the greatest economic benefit to Executive in a manner that would not result in subjecting Executive to additional taxation under Section 409A. For purposes of making the calculations required by this paragraph 22, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Corporation and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably require in order to make a determination under this paragraph 22, and the Corporation shall bear the cost of all fees charged by the Accountants in connection with any calculations contemplated by this paragraph 22. To the extent requested by Executive, the Corporation shall cooperate with Executive in good faith in valuing, and the Accountants shall value, services to be provided by Executive (including Executive refraining from performing services pursuant to a covenant not to compete) before, on or after the date of the transaction which causes the application of Section 280G of the Code such that Payments in respect of such services may be considered to be "reasonable compensation" within the meaning of the regulations under Section 280G of the Code. Notwithstanding the foregoing, if the transaction which causes the application of Section 280G of the Code occurs at a time during which the Corporation qualifies under Section 2(a)(i) of Q&A-6 of Treasury Regulation Section 1.280G, upon the request of Executive, the Corporation shall use reasonable efforts to obtain the vote of equity holders described in Q&A-7 of Treasury Regulation Section 1.280G.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Corporation

By: /s/ Thiti Mekavichai
Name: Thiti Mekavichai
Title: Director and President

Executive

/s/ Christopher Pungya Kalnin
Christopher Pungya Kalnin

EXHIBIT A
RELEASE AGREEMENT

RELEASE AGREEMENT, dated as of _____ (this "Agreement"), by and between BKV Corporation, a Delaware corporation (the "Corporation") and Christopher Pungya Kalnin ("Executive") (collectively, the "Parties").

WHEREAS, Executive's employment agreement with the Corporation, dated August 4, 2020 (as such employment agreement may be amended from time to time, the "Employment Agreement"), provides for certain post-separation payments and benefits to Executive pursuant to subparagraphs 6(b) or 6(c), as applicable, and under subparagraph 6(e), if applicable, thereof, subject to Executive executing and not revoking a release of claims against the Corporation and the Releasees (as defined below); and

WHEREAS, Executive desires, and the Corporation agrees, that the Corporation shall provide a release of claims with respect to Executive's employment and his separation of employment pursuant to the Employment Agreement.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in the Employment Agreement and this Agreement, and in consideration for the payments and benefits to be provided to Executive pursuant to subparagraph 6(b) or 6(c), as applicable, and under subparagraph 6(d), if applicable, of the Employment Agreement, and for other good and valuable consideration, the sufficiency of which is hereby recognized by the Parties, the Parties agree as follows:

1. Separation of Employment. Executive acknowledges and agrees that his separation of employment with the Corporation and its subsidiaries and affiliates will occur effective _____ (the "Separation Date"). As of the Separation Date, Executive will resign all positions he held as an officer, director or employee of the Corporation and its subsidiaries (the "Group Companies"), and will promptly execute such documents and take such actions as may be necessary or reasonably requested by the Corporation to effectuate or memorialize the resignation of such positions.

2. Consideration. Executive and the Corporation each acknowledge that in consideration of Executive's employment and in consideration for the

payments set forth in the Employment Agreement that are subject to the release provision of subparagraph 6(i) of the Employment Agreement (the "Payments"), the following shall apply.

3. General Release of Claims. In exchange for the mutual promises set forth in this Agreement (including the Payments), Executive, on behalf of himself, his agents, attorneys, heirs, administrators, executors, assigns, and other representatives, and anyone acting or claiming on his or their joint or several behalf, hereby releases, waives, and forever discharges the Corporation, each Group Company, including, in each case, its past or present employees, officers, directors, trustees, board members, shareholders, agents, affiliates, parent entities, subsidiaries, successors, assigns, and other representatives, and anyone acting on their joint or several behalf (the "Releasees"), from any and all known and unknown claims, causes of action, demands, damages, costs, expenses, liabilities, or other losses that in any way arise from, grow out of, or are related to Executive's employment with the Corporation or any of the Group Companies or his separation of employment therefrom. By way of example only and without limiting the immediately preceding sentence, Executive agrees that he is releasing, waiving, and discharging any and all claims against the Corporation and the Releasees under (a) any federal, state, or local employment law or statute, including, but not limited to Title VII of the Civil Rights Act(s) of 1964 and 1991, the Americans with Disabilities Act, the Age Discrimination in Employment Act ("ADEA"), Older Workers Benefit Protection Act ("OWBPA"), the Genetic Information Non-Discrimination Act (GINA), the Sarbanes-Oxley Act, or other applicable state civil rights law(s) or any other federal law, statute, ordinance, rule, regulation or executive order relating to employment and/or discrimination in employment, and/or any claims to attorneys' fees or costs thereunder, (b) any claims for wrongful discharge, retaliatory discharge, negligent or intentional infliction of emotional distress, interference with contractual relations, personal, emotional or physical injury, fraud, defamation, libel, slander, misrepresentation, violation of public policy, invasion of privacy, or any other statutory or common law theory of recovery under any federal, state or municipal common law, or (c) any other federal, state or municipal law, statute, ordinance or common law doctrine affecting employment rights. Nothing herein shall be construed to prohibit Executive from filing a charge with the Equal Employment Opportunity Commission or the United States Securities and Exchange Commission Whistleblower unit or participating in investigations by those entities. However, Executive acknowledges that by signing this Agreement, Executive waives his right to seek individual remedies in any such action or accept individual remedies or monetary damages in any such action or lawsuit arising from such charges or investigations, including but not limited to, back pay, front pay, or reinstatement. Executive further agrees that if any person, organization, or other entity should bring a claim against the Releasees involving any matter covered by this Agreement, Executive will not accept any personal relief in any such action, including damages, attorneys' fees, costs, and all other legal or equitable relief. Notwithstanding the generality of the foregoing, Executive does not release the following claims and rights: (i) claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law; (ii) claims to continued participation in certain of the Corporation's group benefit plans pursuant to the terms and conditions of the Employment Agreement and Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, and to any vested benefits to which he is entitled under any retirement plan of the Corporation that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, or under any equity-based plan or deferred compensation plan of the Corporation; (iii) Executive's right, if any, to indemnification, advancement of expenses and the protections of any directors' and officers' liability policies of the Corporation, as set forth in paragraph 20 of the Employment Agreement; (iv) Executive's rights to any payments or benefits due to him under paragraph 6 of the Employment Agreement (including under the applicable agreements referenced therein (to the extent provided in paragraph 6 of the Employment Agreement)); (v) any rights under this Agreement; and (vi) any claim that cannot lawfully be waived by private agreement.

4. No Claims Filed. Executive affirms that, as of the date of execution of this Agreement, he has filed no lawsuit, charge, claim or complaint with any governmental agency, arbitral tribunal or arbitrator, or in any court against the Corporation or the Releasees.

5. Employment Agreement Provisions. The provisions of paragraphs 7 (Competitive Activity; Confidentiality; Non-solicitation), 11 (Taxes), 12 (Notices), 17 (Governing Law) and 18 (Dispute Resolution; Arbitration) of the Employment Agreement are hereby expressly incorporated by reference.

6. Nondisclosure of Terms. Executive agrees that the existence, terms and conditions of this Agreement, and any and all underlying communications and negotiations in connection with or leading to this Agreement, are and shall remain confidential unless publicly filed. Except as specifically set forth in this paragraph 6, Executive shall not disclose the existence or terms of this Agreement in whole or in part to any individual or entity without prior written consent of the Corporation. Executive agrees that he will not disclose the existence or terms of this Agreement to any person except (a) to members of Executive's immediate family and his professional advisors, who shall be advised of this confidentiality provision; (b) to the extent required by a final and binding court order or other compulsory process; (c) to any federal, state, or local taxing authority or to any other governmental or regulatory body if requested in an investigation; or (d) to the extent reasonably appropriate in connection with litigation over this Agreement. Upon Executive's receipt of any order, subpoena or other compulsory process demanding production or disclosure of this Agreement, Executive agrees that, to the extent legally permitted, he will promptly notify the Corporation in writing of the requested disclosure, including the proposed date of the disclosure, the reason for the requested disclosure, and the identity of the individual or entity requesting the disclosure, at least ten (10) business days prior to the date that such disclosure is to be made or immediately upon receipt of the requested disclosure. Executive agrees not to oppose any action that the Corporation might take with respect to any such requested disclosure. Executive further agrees to instruct his counsel not to disclose to any person or entity, including potential or existing clients, the existence or terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement prevents Executive from providing, without prior notice to the Corporation, information to governmental authorities regarding possible legal violations or otherwise testifying or participating in any investigation or proceeding by any governmental authorities regarding possible legal violations, and for purpose of clarity Executive is not prohibited from providing information voluntarily to the United States Securities and Exchange Commission pursuant to Section 21F of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

7. Future Cooperation. Executive agrees that, as reasonably requested for (a) the 12 months following the separation of his employment, he will (i) fully cooperate with the Corporation in effecting an orderly transition of his duties and (ii) without any additional compensation, respond to reasonable requests for information from the Corporation regarding matters that may arise in the Corporation's business and (b) the three-year period following the separation of his employment, fully and completely cooperate with the Corporation, its advisors and its legal counsel with respect to any litigation that is pending against the Corporation and any claim or action that may be filed against the Corporation in the future. Such cooperation reflected in part (b) above shall include making himself available at reasonable times and places for interviews, reviewing documents, testifying in a deposition or a legal or administrative proceeding,

and providing advice to the Corporation in preparing defenses to any pending or potential future claims against the Corporation. Any cooperation under this paragraph 7 shall be subject to Executive's business and personal commitments and shall not require Executive to cooperate against his own legal interests or the legal interests of any future employer. The Corporation agrees to pay/reimburse Executive within thirty (30) days of receipt of an invoice for any reasonable expenses incurred as a result of his cooperation with the Corporation pursuant to this paragraph 7 including reasonable fees actually incurred by legal counsel for Executive if Executive believes separate counsel is reasonably necessary.

8. Assistance to Others. Executive agrees following the separation of his employment described in this Agreement, not to assist or cooperate, in any way, directly or indirectly, with any person, entity or group (other than the Equal Employment Opportunity Commission (EEOC) or other governmental agency) involved in any proceeding, inquiry or investigation of any kind or nature against or involving the Corporation or any of its Group Companies, except as required by law, subpoena or other compulsory process. Moreover, Executive agrees that to the extent he is compelled to cooperate with such third parties during the three-year period following such separation of employment, he shall disclose to the Corporation in advance that he intends to cooperate and shall disclose the manner in which he intends to cooperate. Further, Executive agrees that within three (3) days after such cooperation, he will offer to meet with representatives of the Corporation and disclose the information that he provided to the third party, to the extent permitted by law. Further, if Executive is legally required to appear or participate in any proceeding that involves or is brought against the Corporation or any of the Group Companies, within three years following such separation of employment, Executive agrees, unless prohibited by law, to disclose to the Corporation in advance what he plans to say or produce and otherwise cooperate fully with the Corporation or the Group Companies. Executive's agreement not to provide assistance or cooperation shall not require Executive to refrain from assisting or cooperating with any future employer.

9. ADEA/OWBPA Waiver & Acknowledgment. Insofar as this Agreement pertains to the release of Executive's claims, if any, under the ADEA or other civil rights laws, Executive, pursuant to and in compliance with the rights afforded him under the Older Workers Benefit Protection Act: (a) is hereby advised to consult with an attorney before executing this Agreement; (b) is hereby afforded twenty-one (21) days to consider this Agreement (the "Consideration Period"); (c) may revoke this Agreement any time within the seven (7) day period following his execution of this Agreement (the " Revocation Period") by providing written notice to the Corporation on or before 5:00 PM. Eastern Daylight Time on the seventh day after Executive signs this Agreement; (d) is hereby advised that this Agreement shall not become effective or enforceable until the seven (7) day Revocation Period has expired; and (e) is hereby advised that he is not waiving claims that may arise after the date on which he executes this Agreement. If this Agreement is revoked within the Revocation Period, the Corporation shall have no obligations under this Agreement, including the obligation to make the Payments. If this Agreement is not revoked by Executive within the Revocation Period, this Agreement will be effective and enforceable on the date immediately following the last day of the seven (7) day Revocation Period (the "Effective Date"). The offer to enter into this Agreement shall remain open for the twenty-one (21) day Consideration Period, after which time it shall be withdrawn.

10. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, but this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

11. Voluntary Execution. Executive acknowledges that he is executing this Agreement voluntarily and of his own free will and that he fully understands and intends to be bound by the terms of this Agreement. Further, Executive acknowledges that he received a copy of this Agreement on _____, and has had an opportunity to carefully review this Agreement with his attorney prior to executing it or warrants that he chooses not to have an attorney review this Agreement prior to signing. Executive will be responsible for any attorneys' fees incurred in connection with review of this Agreement by his attorneys.

12. No Assignment of Claims. Executive hereby represents and warrants that he has not previously assigned or purported to assign or transfer to any person or entity any of the claims or causes of action herein released.

13. Complete Agreement. This Agreement embodies the complete agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the Parties, written or oral, which may have related to the subject matter hereof in any way. Any amendments, additions or other modifications to this Agreement must be done in writing and signed by both Parties.

14. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

15. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Executive, the Corporation and their respective heirs, executors, personal representatives, successors and assigns, except that neither Party may assign any rights or delegate any obligations hereunder without the prior written consent of the other Party. Executive hereby consents to the assignment by the Corporation of all of its rights and obligations hereunder to any successor to the Corporation by merger or consolidation or purchase of all or substantially all of the Corporation's assets, provided such transferee or successor assumes the liabilities of the Corporation hereunder.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto hereby certify that they have read this Agreement in its entirety and voluntarily executed it in the presence of competent witnesses, as of the date set forth under their respective signatures.

Corporation

By: _____ Date: _____
Name: _____
Title: _____

Executive

_____ Date: _____
Christopher Pungya Kalnin

BKV CORPORATION

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is effective as of the 11th day of January, 2021 ("Effective Date"), regardless of the date the Agreement is executed, by and between BKV Corporation, a Delaware corporation (hereinafter referred to as "**Employer**" or "**Company**"), and John T. Jimenez (hereinafter referred to as "**Employee**" or "**you**"). Collectively, Employer and Employee shall be referred to as the " **Parties**."

A. Employer desires to engage Employee in the position of Chief Financial Officer.

B. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms and conditions set forth herein.

C. In consideration of the mutual covenants and promises of the Parties hereto, Employer and Employee agree as follows:

1. Agreement to Employ and be Employed: Employer hereby agrees to employ Employee and Employee hereby accepts and agrees to such employment.

2. At-Will Employment: ***Employee's employment is at-will.*** Nothing in this Agreement guarantees Employee employment with Employer for any specific period of time. This means that, subject to the provisions of this Agreement, Employer may terminate employee at any time with no advance notice, procedure, or formality and for any lawful reason, with or without cause. Similarly, subject to the provisions of this Agreement, Employee may resign his employment at any time and for any reason. Your at-will employment relationship cannot be changed by any oral representation, written document or other conduct unless such change is specifically acknowledged in writing by an authorized executive of the Company.

3. Description of Employee's Duties: Employee will be employed as Chief Financial Officer. Employee's job duties are set forth in **Exhibit 1**. The position is exempt from overtime under both state and federal laws and regulations. You will report to Christopher P. Kalnin and your primary office location will be at our offices in Denver, Colorado. Your start date will be April 16, 2021 (the "Start Date"). In addition, we also attach Colorado Overtime and Minimum Pay Standards Order 36.

4. Manner of Performance of Employee's Duties: Employee shall be a full-time employee of Employer, shall devote his best efforts and entire business time, attention, and services exclusively to the business and affairs of Employer, and shall perform his duties as set forth in **Exhibit 1** with fidelity and to the best of his ability, experience, and talent. Employee shall also perform the duties of his position to the reasonable satisfaction of Employer.

Employee will not engage in the performance of services for any other business or entity during the term of this Agreement unless the performance of such services is approved by Employer in advance.

Notwithstanding anything in this Section 4, or in any other provision of this Agreement to the contrary, Employer hereby approves Employee's continued participation in, and service to, the business enterprise identified and described in Exhibit 2.

5. Compensation: In consideration of the services to be provided by Employer during employment, Employer shall compensate Employee as follows:

a. During his employment, Employee shall receive the equivalent of an annual base salary of Three Hundred Fifty Thousand U.S. dollars ($350,000.00), less applicable payroll deductions and required taxes and withholdings ("**Base Compensation**"), with partial periods prorated. Employee's Base Compensation shall be payable in equal periodic installments according to Employer's customary payroll practice. The Base Compensation is based on and intended to compensate Employee for all hours worked.

b. During your employment, Employee may participate in Employer benefit plans and programs described in the attached **Exhibit 3**, to the extent that Employer maintains such plans or programs and in accordance with the eligibility and participation criteria applicable to each such plan or program. Employee acknowledges that the Employer has the right to change, modify, or eliminate benefits provided to its employees from time to time in Employer's sole discretion without notice to employees. As such, Employee acknowledges and agrees that this Agreement does not create a specific entitlement to any particular benefits, and that Employee will receive benefits at the same level as other similarly situated employees of Employer.

c. During his employment, Employee may also, in Employer's sole discretion, receive compensation each calendar year in addition to his Base Compensation. Such additional compensation will be paid, if at all, in the form of an **Annual Target Bonus**, which Employer intends to fall between 0 percent and 60 percent (0-60%) of the annual Base Compensation. The availability of any bonus will be determined based upon Employer's performance and will take into account Employee's individual effort and satisfactory achievement of established performance goals. Any such Annual Target Bonus (if any) will be paid to Employee, in full and subject to applicable tax, not later than March 15 of the calendar year following the calendar year during which Employee performed the services that gave rise to that Bonus. The bonus would be pro-rated based on your Start Date.

Nothing in this provision (c) is intended to guarantee Employee the payment of a bonus in any amount other than as described in provision (c).

d. Paid Time Off (PTO). PTO includes vacation, sick, personal time, etc. Employee is eligible to accrue up to thirty (30) days of PTO per year. Paid time off is accrued on a pro-rata basis at the rate of 9.234 hours/Bi-Weekly throughout the year. Under Employer's policy, employees do not accrue PTO once they have earned their maximum paid time off hours per year. The accrual will resume once the amount of accrued PTO is less than the maximum possible accrual. Available PTO will automatically carry over into the new calendar year. Up to 10 days of accrued, unused paid time off will be paid out upon separation, unless otherwise required by law. Advanced but unaccrued paid time off will be deducted from an employee's final paycheck, to the extent permitted by law and Employee hereby authorizes such deduction in accordance with applicable law and waives the right to presentment, notice and protest.

e. Signing Bonus. The Company will pay you a signing bonus of $250,000, less lawful deductions and withholdings within thirty (30) days of your Start Date (the "Signing Bonus").

f. Long Term Incentive. In addition, during your employment, subject to final management approval, you will also be eligible for the Company's Long-Term Incentive Program ("LTIP") pursuant to the terms of the LTIP and grant agreements to be provided separately to you once employed, which is estimated to equate to 618,000 share total over a four-year period with a par value of $0.01 and a current fair market value of $10.00 per share. In addition to the Signing Bonus, the availability of any bonus including any grant of LTIP, will be determined based upon the Company's performance and will consider your individual effort and satisfactory achievement of established performance goals.

The compensation described in this Section 5 constitutes all compensation made available by Employer for the services of Employee. No other or additional compensation in any form will be considered or paid for during the period of this Agreement.

6. Relocation: Employee shall be promptly reimbursed Employee for reasonable relocation costs incurred as described below to move residence and family, the aggregate of which is not to exceed $30,000. Covered costs include:

a. reasonable broker fees in connection with the sale of the existing family home, reasonable out-of-pocket fees and expenses, and transfer taxes, but not home sales tax;

b. packing and moving of all household goods and shipment of three automobiles based upon a competitive bid approved through the Company's Human Resources department;

Covered expenses do not include other broker fees or mortgage financing fees in excess of two points, in connection with the purchase of a residence.

During an agreed Transition Period, Employee will be reimbursed for reasonable expenses associated with commuting, including two trips accompanied by partner/spouse for purposes of relocation-related planning, and for temporary housing and rental car expenses in accordance with the Company's T&E Policy.

Relocation expenses must be incurred within twelve (12) months from January 1, 2021 and payment will include a full tax gross-up for taxes incurred on receipt of the reimbursements under this section.

7. Confidentiality: Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, she may have access to and be entrusted with nonpublic information belonging to, developed by, licensed by, or otherwise in the possession of, Employer or its clients. To protect such information, Employee agrees that she will not, directly or indirectly, in one or a series of transactions, disclose to any person, or use or otherwise exploit for Employee's own benefit or for the benefit of anyone other than Employer, any Confidential Information, as defined below, whether prepared by Employee or not. At the request of Employer, Employee agrees to deliver to Employer, at any time during his employment, or thereafter, all Confidential Information which she may possess or control.

Employee shall be permitted to disclose Confidential Information if and to the extent disclosure of any part thereof is specifically required by law; provided, however, that in the event such disclosure is required by applicable law, Employee shall provide Employer with prompt written notice of such requirement, prior to making any disclosure, so that Employer may seek an appropriate protective order, and Employee only shall disclose information as necessary to comply with legal process. Moreover, in accordance with the Defend Trade Secrets Act ("DTSA"), an employee will not be held criminally or civilly liable under any federal or state trade secret law if an employee discloses a trade secret in confidence to federal, state, or local government officials, to his/her attorney solely for the purpose of reporting or investigating a suspected violation of law, or in a sealed complaint or other document filed in a lawsuit or other proceeding. Further, an employee who files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his attorney and use the trade secret information in the court proceeding if the individual: (a) files the document containing the trade secret in a sealed court document and (b) does not disclose the trade secret, except pursuant to court order. The DTSA does not, however, offer protection from liability for individuals who access trade secrets by unlawful means.

Notwithstanding the foregoing, nothing in this Agreement is intended to prevent Employee from engaging in activity protected by the National Labor Relations Act, including engaging in discussion of concerns about working conditions or other concerted activities.

"**Confidential Information**" means any of Employer's and its Affiliates' confidential information including, without limitation, all provisions hereunder, any information, processes, plans, data calculations, software storage media or other compilation of information, patent, patent application, copyright, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, any portion or phase of any scientific or technical information, ideas, discoveries, designs, inventions, creative works, computer programs (including source of object codes), processes, formulae, improvements or other proprietary or intellectual

property of the Employer, whether or not in written or tangible form, and whether or not registered or labeled as confidential, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The covenant in this Section 6 shall survive termination of this Agreement. "Affiliate" is defined as all parent, sister and subsidiary companies.

8. Inventions, Ideas, and Other Intellectual Developments: In view of the purposes of Employer and the need to secure for the Employer and/or Interested Parties (defined below) their right to Intellectual Developments (defined below) related to the business of Employer and/or such Interested Party, Employee understands that Employer must be in a position to use, assign, and otherwise dispose of Intellectual Developments made by its staff members and employees. Accordingly, except for those items excluded by Section 12 below, Employee shall promptly disclose to Employer and, when requested, furnish to the Employer a complete record of every discovery, invention, improvement, innovation, design, analysis, reports, drawings, copyright, intellectual property right and other definite and useful idea or compilation of information of value (individually and collectively an "**Intellectual Development**"), which Employee may make or originate, individually or with others, at any time during the term of Employee's employment by the Employer. Employee hereby assigns to the Employer or its nominee the entire rights throughout the world to such Intellectual Developments which relate to the current or potential business or activities of the Employer or any Interested Parties or which results from Employee's work with Employer. The term "**Interested Parties**" means any person having a business relationship with the Company where the relationship gives rise to a claim by that person to some interest in Intellectual Developments made by employees and associates of the Employer or its Affiliates.

9. Cooperation: Employee shall fully cooperate with Employer or its designees in securing, in the name of the Company or its designees, rights with respect to the Intellectual Developments described in Section 7 above, in all countries. Employee shall promptly execute all proper documents presented for signature and do all things reasonably required to enable Employer or its designees to accomplish the above, at any time during or after Employee's employment.

10. Shop Rights and Holdover: Employee agrees that Employer or its designees shall be entitled to shop rights to any Intellectual Developments conceived or made by Employee that is not related to the Employer's trade secrets and/or Confidential Information but conceived or made on Company time or with the use of Employer's facilities or materials. Employee further agrees that any Intellectual Developments related to Employer's trade secrets and/or Confidential Information described by Employee in a patent, service mark, trademark, or copyright application, disclosed by Employee in any manner to a third person, or created by Employee or Employee's affiliates or any person with whom Employee has any business, financial or confidential relationship, within one (1) year after cessation of Employee's employment with Employer for any reason, was conceived or made by Employee during Employee's employment with Employer and is therefore the sole property of Employer or its designees.

11. Information and Testimony: For a period of time up to five years from Employee's last date of employment with Employer, Employee shall, without expense to Employee and at the cost of the Employer, give such true information and testimony at reasonable times and places, as mutually agreed upon by Employer and Employee, upon prior notice, under oath if requested, as may be requested by Employer or its designees relative to any Intellectual Development described in Section 7 above.

12. Interest of the Employee: As to inventions, applications for patents, and copyrightable material in which Employee presently holds an interest and which are not subject to this Agreement:

Check One:

☒ Employee has no such property.
☐ Employee has described all such property in Section 12, below.

13. Description of Inventions, Applications for Patents and Copyright Material Exempted in Section 11 .

Employee to insert description of applicable inventions, patents and copyright material below.

By: _____on_____
_____ Date

14. Restrictive Covenant: Because Employee will be provided with proprietary, confidential, and trade secret information, the Employee shall not, during his employment:

a. enter into, own, manage, operate, control, be employed with, or engage, as an employee, associate, officer, director, shareholder, partner or in any other capacity, on behalf of any association, enterprise, company, or firm that provides services or products in competition with Employer, except as otherwise provided in Exhibit 2 to this Agreement;

b. directly or indirectly solicit or attempt to solicit the business of any client or customer or active customer prospect of the Employer or any of its Affiliates for his own benefit or that of any third person or organization; and

c. directly or indirectly induce any employee or contractor of Employer or any of its Affiliates to leave his or his employment or independent contract with Employer or any of its Affiliates.

15. Non-Disparagement: Employee agrees that at any time during his employment with the Employer and at any time thereafter, Employee shall not, except in the good faith commission of his duties and responsibilities, make, or cause or assist any other person to make, any statement or other communication

that impugns or attacks, or is otherwise critical to the reputation, business or character of the Employer or any of its officers, directors, members, managers, employees, products or services.

16. **Reasonableness of Restraints, Irreparable Harm**: Employee acknowledges that: (a) the agreements and covenants contained herein are reasonably necessary to protect the goodwill, Confidential Information, Intellectual Developments, trade secrets, and other business interests of Employer; (b) any breach of the covenants contained herein will cause Employer immediate irreparable harm for which injunctive relief would be necessary; (c) the covenants contained herein are essential and material elements of this Agreement and Employer would not have entered into this Agreement or permitted Employee to obtain employment or remain employed without those covenants being included in this Agreement; (d) Employee has had the opportunity to consult with and be advised by legal counsel concerning the reasonableness and propriety of the covenants contained herein; and (e) in the event of any violation or attempted violation of the covenants contained herein, Employer shall be entitled to seek a temporary restraining order, temporary or permanent injunctions, and other injunctive relief, , in addition to any other rights or remedies which may then be available to Employer. In addition to, but not instead of, any other legal or equitable remedies available to Employer, Employee hereby agrees to reimburse Employer for reasonable attorneys' fees and costs incurred by Employer in the event Employer is successful in showing a violation or attempted violation of this Agreement as determined by a court of competent jurisdiction.

17. **No Existing Obligations**: Except for and expressly excluding the obligations, terms and conditions set forth in the employment materials, including without limitation, any employee handbook, award agreement or offer materials, of BP America Production Company, its affiliates, group companies or parent companies including, but not limited to, the language set forth on Appendix A attached hereto and the notice, if any, associated therewith, Employee represents that Employee: (a) is not subject to a confidentiality, trade secret, conflict of interest, or non-competition agreement with any former employer, contractor or third party; and (b) has no continuing obligations to any former employer, contractor or third party with respect to the ownership or assignment of any proprietary rights, including, but not limited to, inventions, ideas, copyrights, trade secrets or patents, including any such rights in information, or creations or materials Employee conceived or made, in whole or in part that will impact Employee's services for Employer. Employee understands that any such agreement or obligation, as well as any trade secret and other property laws, may restrict Employee from using any secret or proprietary information that belongs to any former employer, contractor or third party, either for Employee's own benefit or for anyone else's benefit, including Employer. Employee also understands that Employee, or anyone else who uses or benefits from a third party's proprietary information, may be liable to that third party; therefore, Employee agrees not to use any confidential, trade secret, or proprietary information that belongs to any former employer, contractor, or third party during the term of employment, either for Employee's own benefit or to benefit Employer or any of its clients, customers, or affiliates.

18. **Termination of Employment and Termination Payment**. Notwithstanding the at-will nature of your employment, if your employment is terminated by the Company without "Cause" as defined below, in addition to the (1) payment of your Base Compensation and any bonuses earned through the termination date, (2) payment for any unused, accrued vacation days as of your termination date, and (3) reimbursement of any outstanding, reasonable business expenses incurred by you through the termination date, you will be eligible to receive a severance benefit equal to the sum of eighteen (18) months of your annual Base Compensation as of the date of termination, provided you execute a Separation Agreement and General Release provided by the Company (the "Separation Agreement"). For purposes of this letter, the term "Cause" shall mean any of the following: (i) other than as a result of a disability, your willful failure to perform your duties; (ii) your willful engagement in misconduct which is injurious to the Company, monetarily or otherwise; (iii) your conviction of a crime (including a nolo contendere plea) involving, in the good faith of the Company, fraud, dishonesty or moral turpitude; (iv) the negligent performance of your duties after receipt of written notice from Employer and a reasonable opportunity to cure; (v) your breach of any covenant set forth in the Confidential Information and Non-Solicitation Agreement; or (vi) your breach of any material Company policy. You will be considered to have been terminated for "Cause" if the Company determines in good faith that you engaged in an act constituting "Cause" even after a resignation by you.

19. **Non-Competition**. In exchange for the termination payment described in Section 18 above, for a period of twelve (12) months following termination of Employee's employment, for any reason, Employee shall not (1) enter into or engage in any business which competes with the Company or any of its subsidiaries or affiliates ("Company Group") in the same primary business as the Company Group within the States of Pennsylvania, Colorado and Texas ("Restricted Territory"); (2) solicit any known customers, business, assets, investments or patronage (or customer, business, asset, investment or patronage prospects) for, or sell, any products or services in competition with or for any business that competes with the Company Group within the Restricted Territory; (3) divert, entice or otherwise take away any known business, assets or investments or patronage (or customer, business, asset, investment or patronage prospects) of the Company Group within the Restricted Territory; or (4) promote, manage or assist, financially or otherwise, any person, firm, association, partnership, corporation or other entity engaged in any business which competes with or is engaged in the same business as the Company Group within the Restricted Territory. For purposes of this section, Employee will be in violation of the non-compete provision set forth herein if Employee engages in any or all of the activities set forth herein directly as an individual on Employee's own account or indirectly as a partner, joint venture, employee, agent, salesperson, consultant, officers and/or director of any firm, association, partnership, corporation or other entity or as a shareholder of any corporation (or owner of any other type of equity interest in any other entity) in which Employee or Employee's spouse, minor child, or parent sharing the same household as Employee owns, directly or indirectly, individually or in the aggregate, more than 1% of the outstanding stock or other equity interests. If it is judicially determined or by consent of Employee that Employee has violated this Section 19 and the Company obtains an order, injunction or other equitable relief, then the period applicable to each obligation that Employee has been determined to have violated will be automatically extended by a period of time equal in length to the period during which such violation occurred.

20. **Termination Notice**. Your employment may be terminated in writing either by the Company without Cause or by you upon ninety (90) days written notice to the Company. If the Company terminates your employment without Cause, 90 days' notice is not required by the Company, provided that it offers to pay you the severance benefits described in this letter in exchange for you signing a Separation Agreement and General Release. For purposes of clarity, no prior notice is required to terminate your employment by the Company with Cause.

21. **Internal Revenue Code Section 409A Compliance**. Both you and the Company intend that all compensation or benefits paid under this letter as well as the Separation Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Section 409A") and, accordingly, to the maximum extent permitted, this letter shall be interpreted to be in compliance therewith. By way of example, and not

limitation, with respect to payments triggered by your "termination of employment" (and similar terms) such phrase shall be construed to mean your "separation from service" with the Company (determined under Treasury Regulation Section 1.409A-1(h)). Further, notwithstanding any other provision of this letter to the contrary, if any amount to be paid to you as a result of the termination of your employment pursuant to this letter or the Separation Agreement is "deferred compensation" subject to Section 409A, and if you are a "specified employee" (as defined under Section 409A) as of the date of your termination of employment hereunder, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first six (6) month period following the date of a termination of employment hereunder shall not be paid until the date which is the first business day following the six-month anniversary of the termination of your employment, as reviewed and approved by Employer's CFO or tax professional, for any reason other than death. Any deferred compensation payments delayed in accordance with the terms of this paragraph shall be paid in a lump sum when paid. In addition, both you and the Company agree to cooperate fully with one another to attempt to ensure compliance with Section 409A, including, without limitation, adopting amendments to arrangements subject to Section 409A and operating such arrangements in compliance with Section 409A; provided, however, nothing in this paragraph shall require you to reduce your compensation; provided, further, however, nothing in this letter shall constitute an agreement to indemnify, gross up or otherwise make you whole for any taxes imposed under Section 409A. The Company does not make any representation as to whether any benefits, payments, or reimbursements under this letter satisfy the requirements of Section 409A or any exemption thereto.

22. Assignment: This Agreement may be assigned by Employer to any affiliated or successor employer without the consent of Employee, and so long as the affiliate or successor accepts the assignment, this Agreement will continue to be binding upon the Employee. This Agreement may not be assigned by Employee.

23. Severability: Each paragraph of this Agreement shall be and remain separate from and independent of, and severable from, all and any other paragraphs herein except where otherwise indicated by the context of the Agreement. To the extent any portion of this Agreement, or any portion of any provision of this Agreement is held to be invalid or unenforceable, it is the Parties' express intent it shall be construed by severing, limiting and reducing it so as to be enforceable to the extent compatible with applicable law. All remaining provisions, and/or portions thereof, shall remain in full force and effect.

24. Modification: Any modification of this Agreement or any additional obligation assumed by either Party in connection with this Agreement shall be in writing and signed by each Party.

25. No Waiver: The failure of either Party to this Agreement to insist upon the performance of any terms and conditions or the waiver of any breach of any terms and conditions of this Agreement shall not be construed as thereafter waiving such terms and conditions, but the same shall continue to remain in full force and effect.

26. Complete Agreement: This Agreement contains the complete agreement concerning the employment agreement between the Parties and supersedes any and all prior understandings and agreements between the Parties concerning the subject matter hereof. The Parties stipulate that neither has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth in this Agreement.

27. Interpretation of Agreement: The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Colorado, without regard to its conflict of law provisions. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

28. Survival: The terms and provisions of Sections 6 through 14 of this Agreement shall survive the cancellation, termination, or expiration of this Agreement.

29. Resolution of Disputes: The parties consent and agree that, except as set forth in this Section 24, any action or proceeding between them arising from this Agreement shall be exclusively referred to binding arbitration in Denver, Colorado in accordance with the rules of the Commercial Arbitration ("AAA") Rules and Mediation Procedures before a single arbitrator selected by the Employer. The decision of the arbitrator shall be final, non-appealable and binding upon the parties and may be enforced in any court having jurisdiction thereof. The AAA Rules regarding discovery shall apply to arbitration under this Agreement. The Arbitrator selected according to this Agreement shall decide all discovery disputes. The parties shall split the administrative cost of arbitration equally and each party shall be responsible for the payment of its own respective legal fees. CLAIMS WHERE MANDATORY ARBITRATION IS PROHIBITED BY A VALID NON-PREEMPTED LAW ARE EXPLICITLY EXCLUDED FROM THIS ARBITRATION PROVISION. CLAIMS IN ARBITRATION SHALL BE FILED AND MAINTAINED ONLY ON AN INDIVIDUAL BASIS. EMPLOYEE MAY NOT FILE OR MAINTAIN ANY CLAIM IN ARBITRATION ON BEHALF OF OTHERS, COLLECTIVELY OR OTHERWISE, OR AS A NAMED PLAINTIFF/CLAIMANT OR MEMBER IN ANY PURPORTED CLASS, COLLECTIVE, OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A COLLECTIVE, CLASS, OR REPRESENTATIVE ARBITRATION PROCEEDING. Notwithstanding the foregoing, any claim related to Sections 6 through 14 of this Agreement shall be asserted exclusively in the state or federal courts of the State of Colorado, and Employee hereby expressly consents to the jurisdiction thereof.

30. Notice: Notice shall be provided in writing via certified mail (return receipt requested), overnight courier or personal delivery to the address set forth below.

If to Employer:	**If to Employee:**
BKV Corporation	
Attn: Christopher P. Kalnin	John T. Jimenez
1200 17th Street, Suite 2100	[***]
Denver, CO 80202	[***]
Email: [***]	Email: [***]

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement on the date or dates set forth below.

/s/ John T. Jimenez	/s/ Christopher P. Kalnin
John T. Jimenez	Christopher P. Kalnin, CEO BKV Corporation
Date: January 8, 2021	Date: January 8, 2021

EXHIBIT 1

Exempt
Full-time Position

EXHIBIT 2

Employee's Existing Business Enterprises

EXHIBIT 3

Summary of Benefits Currently Offered by
BKV Corporation ("Employer")

Exhibit 10.21

KALNIN VENTURES, LLC

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is effective as of the 18th day of February, 2020 ("Effective Date"), regardless of the date the Agreement is executed, by and between Kalnin Ventures, LLC, a Delaware limited liability company (hereinafter referred to as "**Employer**"), and **Eric Jacobsen, [***]** (hereinafter referred to as "**Employee**"). Collectively, Employer and Employee shall be referred to as the " **Parties**."

A. Employer desires to engage Employee in the position of **Chief Operating Officer**, based in Denver, Colorado, provided Employee's work will be focused upon the Company's assets and operations which are currently located in Pennsylvania and Texas.

B. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms and conditions set forth herein.

C. In consideration of the mutual covenants and promises of the Parties hereto, Employer and Employee agree as follows:

1. Agreement to Employ and be Employed: Employer hereby agrees to employ Employee and Employee hereby accepts and agrees to such employment.

2. At-Will Employment: ***Employee's employment is at-will.*** Nothing in this Agreement guarantees Employee employment with Employer for any specific period. This means that, subject to the provisions of this Agreement, Employer may terminate employee at any time with no advance notice, procedure, or formality and for any lawful reason. Similarly, subject to the provisions of this Agreement, Employee may resign his employment at any time and for any reason.

3. Description of Employee's Duties: Employee will be employed as Chief Operating Officer. Employee's job duties are set forth in **Exhibit 1**. The position is exempt from overtime under both state and federal laws and regulations.

4. Manner of Performance of Employee's Duties: Employee shall be a full-time employee of Employer, shall devote his best efforts and entire business time, attention, and services exclusively to the business and affairs of Employer, and shall perform his duties as set forth in **Exhibit 1** with fidelity and to the best of his ability, experience, and talent. Employee shall also perform the duties of his position to the reasonable satisfaction of Employer.

Employee will not engage in the performance of services for any other business or entity during the term of this Agreement unless the performance of such services is approved by Employer in advance.

Notwithstanding anything in this Section 4, or in any other provision of this Agreement to the contrary, Employer hereby approves Employee's continued participation in, and service to, the business enterprise identified and described in Exhibit 2.

5. Compensation: In consideration of the services to be provided by Employer during employment, Employer shall compensate Employee as follows:

a. During his employment, Employee shall receive the equivalent of an annual base salary of Four Hundred Thousand U.S. Dollars ($400,000.00), less applicable payroll deductions and required taxes and withholdings ("**Base Compensation**"), with partial periods prorated. Employee's Base Compensation shall be payable in equal periodic installments according to Employer's customary payroll practice. The Base Compensation is based on and intended to compensate Employee for all hours worked.

b. During his employment, Employee may participate in Employer benefit plans and programs described in the attached **Exhibit 3**, to the extent that Employer maintains such plans or programs and in accordance with the eligibility and participation criteria applicable to each such plan or program. Employee acknowledges that the Employer has the right to change, modify, or eliminate benefits provided to its employees from time to time in Employer's sole discretion without notice to employees. As such, Employee acknowledges and agrees that this Agreement does not create a specific entitlement to any benefits, and that Employee will receive benefits at the same level as similarly situated employees of Employer.

c. During his employment, Employee may also, in Employer's sole discretion, receive compensation each calendar year in addition to his Base Compensation. Such additional compensation will be paid, if at all, in the form of an **Annual Target Bonus**, which Employer intends to fall between 0 percent and 40 percent (0-40%) of the annual Base Compensation. The availability of any bonus will be determined based upon Employer's performance and will consider Employee's individual effort and satisfactory achievement of established performance goals. Any such Annual Target Bonus (if any) will be paid to Employee, in full and subject to applicable tax, not later than March 15 of the calendar year following the calendar year during which Employee performed the services that gave rise to that Bonus. The bonus would be pro-rated based on your hire date.

Nothing in this provision (c) is intended to guarantee Employee the payment of a bonus in any amount other than as described in provision (c).

d. Paid Time Off (PTO). PTO includes vacation, sick, personal time, etc. Employee is eligible to accrue up to 25 days of PTO per year. Paid time off is accrued on a pro-rata basis at the rate of 2.08 days/Bi-Weekly throughout the year. Under Employer's policy, employees do not accrue PTO once they have earned their maximum paid time off hours per year. The accrual will resume once the amount of accrued PTO is less than the maximum possible accrual. Available PTO will automatically carry over into the new calendar year. Up to 10 days of accrued, unused paid time off will be paid out upon separation, unless otherwise required by law. Advanced but unaccrued paid time off will be deducted from an employee's final paycheck, to the extent permitted by law and Employee hereby authorizes such deduction in accordance with applicable law and waives the right to presentment, notice and protest.

e. Severance. In the event Employee is terminated without cause, as determined by the Company in good faith, Employee shall receive severance in an amount equal to three (3) months of Employee's salary as stated in this Agreement ("Severance Amount") with payment of such Severance Amount to be paid by Company to Employee within 30 days after termination of Employee's employment with Company.

The compensation described in this Section 5 constitutes all compensation made available by Employer for the services of Employee. No other or additional compensation in any form will be considered or paid for during the period of this Agreement.

6. Confidentiality: Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, he may have access to and be entrusted with nonpublic information belonging to, developed by, licensed by, or otherwise in the possession of, Employer or its clients. To protect such information, Employee agrees that he will not, directly or indirectly, in one or a series of transactions, disclose to any person, or use or otherwise exploit for Employee's own benefit or for the benefit of anyone other than Employer, any Confidential Information, as defined below, whether prepared by Employee or not. At the request of Employer, Employee agrees to deliver to Employer, at any time during his employment, or thereafter, all Confidential Information which he may possess or control.

Employee shall be permitted to disclose Confidential Information if and to the extent disclosure of any part thereof is specifically required by law; provided, however, that in the event such disclosure is required by applicable law, Employee shall provide Employer with prompt written notice of such requirement, prior to making any disclosure, so that Employer may seek an appropriate protective order, and Employee only shall disclose information as necessary to comply with legal process. Moreover, in accordance with the Defend Trade Secrets Act ("DTSA"), an employee will not be held criminally or civilly liable under any federal or state trade secret law if an employee discloses a trade secret in confidence to federal, state, or local government officials, to his/his attorney solely for the purpose of reporting or investigating a suspected violation of law, or in a sealed complaint or other document filed in a lawsuit or other proceeding. Further, an employee who files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his attorney and use the trade secret information in the court proceeding if the individual: (a) files the document containing the trade secret in a sealed court document and (b) does not disclose the trade secret, except pursuant to court order. The DTSA does not, however, offer protection from liability for individuals who access trade secrets by unlawful means.

Notwithstanding the foregoing, nothing in this Agreement is intended to prevent Employee from engaging in activity protected by the National Labor Relations Act, including engaging in discussion of concerns about working conditions or other concerted activities.

"**Confidential Information**" means any of Employer's and its Affiliates' confidential information including, without limitation, all provisions hereunder, any information, processes, plans, data calculations, software storage media or other compilation of information, patent, patent application, copyright, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, any portion or phase of any scientific or technical information, ideas, discoveries, designs, inventions, creative works, computer programs (including source of object codes), processes, formulae, improvements or other proprietary or intellectual property of the Employer, whether or not in written or tangible form, and whether or not registered or labeled as confidential, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The covenant in this Section 6 shall survive termination of this Agreement. "Affiliate" is defined as all parent, sister and subsidiary companies.

7. Inventions, Ideas, and Other Intellectual Developments: In view of the purposes of Employer and the need to secure for the Employer and/or Interested Parties (defined below) their right to Intellectual Developments (defined below) related to the business of Employer and/or such Interested Party, Employee understands that Employer must be in a position to use, assign, and otherwise dispose of Intellectual Developments made by its staff members and employees. Accordingly, except for those items excluded by Section 12 below, Employee shall promptly disclose to Employer and, when requested, furnish to the Employer a complete record of every discovery, invention, improvement, innovation, design, analysis, reports, drawings, copyright, intellectual property right and other definite and useful idea or compilation of information of value (individually and collectively an "**Intellectual Development**"), which Employee may make or originate, individually or with others, at any time during the term of Employee's employment by the Employer. Employee hereby assigns to the Employer or its nominee the entire rights throughout the world to such Intellectual Developments which relate to the current or potential business or activities of the Employer or any Interested Parties or which results from Employee's work with Employer. The term "**Interested Parties**" means any person having a business relationship with the Company where the relationship gives rise to a claim by that person to some interest in Intellectual Developments made by employees and associates of the Employer or its Affiliates.

8. Cooperation: Employee shall fully cooperate with Employer or its designees in securing, in the name of the Company or its designees, rights with respect to the Intellectual Developments described in Section 7 above, in all countries. Employee shall promptly execute all proper documents presented for signature and do all things reasonably required to enable Employer or its designees to accomplish the above, at any time during or after Employee's employment.

9. Shop Rights and Holdover: Employee agrees that Employer or its designees shall be entitled to shop rights to any Intellectual Developments conceived or made by Employee that is not related to the Employer's trade secrets and/or Confidential Information but conceived or made on Company time or

with the use of Employer's facilities or materials. Employee further agrees that any Intellectual Developments related to Employer's trade secrets and/or Confidential Information described by Employee in a patent, service mark, trademark, or copyright application, disclosed by Employee in any manner to a third person, or created by Employee or Employee's affiliates or any person with whom Employee has any business, financial or confidential relationship, within one (1) year after cessation of Employee's employment with Employer for any reason, was conceived or made by Employee during Employee's employment with Employer and is therefore the sole property of Employer or its designees.

10. Information and Testimony: For a period of time up to five years from Employee's last date of employment with Employer, Employee shall, without expense to Employee, give such true information and testimony at reasonable times and places upon prior notice, under oath if requested, as may be requested by Employer or its designees relative to any Intellectual Development described in Section 7 above.

11. Interest of the Employee: As to inventions, applications for patents, and copyrightable material in which Employee presently holds an interest and which are not subject to this Agreement:

Check One:

☒ Employee has no such property.
☐ Employee has described all such property in Section 12, below.

12. Description of Inventions, Applications for Patents and Copyright Material Exempted in Section 11 .

Employee to insert description of applicable inventions, patents and copyright material below.

By: _____on_____
_____ Date

13. Restrictive Covenant: Because Employee will be provided with proprietary, confidential, and trade secret information, the Employee shall not, during his employment:

a. enter into, own, manage, operate, control, be employed with, or engage, as an employee, associate, officer, director, shareholder, partner or in any other capacity, on behalf of any association, enterprise, company, or firm that provides services or products in competition with Employer, except as otherwise provided in Exhibit 2 to this Agreement;

b. directly or indirectly solicit or attempt to solicit the business of any client or customer or active customer prospect of the Employer or any of its Affiliates for his own benefit or that of any third person or organization; and

c. directly or indirectly induce any employee or contractor of Employer or any of its Affiliates to leave his or his employment or independent contract with Employer or any of its Affiliates.

14. Non-Disparagement: Employee agrees that at any time during his employment with the Employer and at any time thereafter, Employee shall not, except in the good faith commission of his duties and responsibilities, make, or cause or assist any other person to make, any statement or other communication that impugns or attacks, or is otherwise critical to the reputation, business or character of the Employer or any of its officers, directors, members, managers, employees, products or services.

15. Reasonableness of Restraints, Irreparable Harm: Employee acknowledges that: (a) the agreements and covenants contained herein are reasonably necessary to protect the goodwill, Confidential Information, Intellectual Developments, trade secrets, and other business interests of Employer; (b) any breach of the covenants contained herein will cause Employer immediate irreparable harm for which injunctive relief would be necessary; (c) the covenants contained herein are essential and material elements of this Agreement and Employer would not have entered into this Agreement or permitted Employee to obtain employment or remain employed without those covenants being included in this Agreement; (d) Employee has had the opportunity to consult with and be advised by legal counsel concerning the reasonableness and propriety of the covenants contained herein; and (e) in the event of any violation or attempted violation of the covenants contained herein, Employer shall be entitled to a temporary restraining order, temporary or permanent injunctions, and other injunctive relief, without any showing of irreparable harm or damage or any need to post a bond, in addition to any other rights or remedies which may then be available to Employer. In addition to, but not instead of, any other legal or equitable remedies available to Employer, Employee hereby agrees to reimburse Employer for reasonable attorneys' fees and costs incurred by Employer in the event Employer is successful in showing a violation or attempted violation of this Agreement as determined by a court of competent jurisdiction.

16. No Existing Obligations: Employee represents that Employee: (a) is not subject to a confidentiality, trade secret, conflict of interest, or non-competition agreement with any former employer, contractor or third party, except for the Separation and General Release Agreement in **Exhibit 4**; and (b) has no continuing obligations to any former employer, contractor or third party with respect to the ownership or assignment of any proprietary rights, including, but not limited to, inventions, ideas, copyrights, trade secrets or patents, including any such rights in information, or creations or materials Employee conceived or made, in whole or in part that will impact Employee's services for Employer. Employee understands that any such agreement or obligation, as well as any trade secret and other property laws, may restrict Employee from using any secret or proprietary information that belongs to any former employer, contractor or third party, either for Employee's own benefit or for anyone else's benefit, including Employer. Employee also understands that Employee, or anyone else who uses or benefits from a third party's proprietary information, may be liable to that third party; therefore, Employee agrees not to use any confidential, trade secret, or proprietary information that belongs to any former employer, contractor, or third party during the term of employment, either for Employee's own benefit or to benefit Employer or any of its clients, customers, or affiliates.

17. Assignment: This Agreement may be assigned by Employer to any affiliated or successor employer without the consent of Employee, and so long as the affiliate or successor accepts the assignment, this Agreement will continue to be binding upon the Employee. This Agreement may not be assigned by Employee.

18. Severability: Each paragraph of this Agreement shall be and remain separate from and independent of, and severable from, all and any other paragraphs herein except where otherwise indicated by the context of the Agreement. To the extent any portion of this Agreement, or any portion of any provision of this Agreement is held to be invalid or unenforceable, it is the Parties' express intent it shall be construed by severing, limiting and reducing it so as to be enforceable to the extent compatible with applicable law. All remaining provisions, and/or portions thereof, shall remain in full force and effect.

19. Modification: Any modification of this Agreement or any additional obligation assumed by either Party in connection with this Agreement shall be in writing and signed by each Party.

20. No Waiver: The failure of either Party to this Agreement to insist upon the performance of any terms and conditions or the waiver of any breach of any terms and conditions of this Agreement shall not be construed as thereafter waiving such terms and conditions, but the same shall continue to remain in full force and effect.

21. Complete Agreement: This Agreement contains the complete agreement concerning the employment agreement between the Parties and supersedes any and all prior understandings and agreements between the Parties concerning the subject matter hereof. The Parties stipulate that neither has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth in this Agreement.

22. Interpretation of Agreement: The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Colorado, without regard to its conflict of law provisions. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

23. Survival: The terms and provisions of Sections 6 through 14 of this Agreement shall survive the cancellation, termination, or expiration of this Agreement.

24. Resolution of Disputes: The parties consent and agree that, except as set forth in this Section 24, any action or proceeding between them arising from this Agreement shall be exclusively referred to binding arbitration in Denver, Colorado in accordance with the rules of the Commercial Arbitration ("AAA") Rules and Mediation Procedures before a single arbitrator selected by the Employer. The decision of the arbitrator shall be final, non-appealable and binding upon the parties and may be enforced in any court having jurisdiction thereof. The AAA Rules regarding discovery shall apply to arbitration under this Agreement. The Arbitrator selected according to this Agreement shall decide all discovery disputes. The parties shall split the administrative cost of arbitration equally and each party shall be responsible for the payment of its own respective legal fees. CLAIMS WHISE MANDATORY ARBITRATION IS PROHIBITED BY A VALID NON-PREEMPTED LAW ARE EXPLICITLY EXCLUDED FROM THIS ARBITRATION PROVISION. CLAIMS IN ARBITRATION SHALL BE FILED AND MAINTAINED ONLY ON AN INDIVIDUAL BASIS. EMPLOYEE MAY NOT FILE OR MAINTAIN ANY CLAIM IN ARBITRATION ON BEHALF OF OTHISS, COLLECTIVELY OR OTHISWISE, OR AS A NAMED PLAINTIFF/CLAIMANT OR MEMBER IN ANY PURPORTED CLASS, COLLECTIVE, OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS, AND MAY NOT OTHISWISE PRESIDE OVER ANY FORM OF A COLLECTIVE, CLASS, OR REPRESENTATIVE ARBITRATION PROCEEDING. Notwithstanding the foregoing, any claim related to Sections 6 through 14 of this Agreement shall be asserted exclusively in the state or federal courts of the State of Colorado, and Employee hereby expressly consents to the jurisdiction thereof.

25. Notice: Notice shall be provided in writing via certified mail (return receipt requested), overnight courier or personal delivery to the address set forth below.

If to Employer:	**If to Employee:**
Kalnin Ventures, LLC	
Attn: Christopher P. Kalnin	Eric Jacobsen
1200 17th Street, Suite 2100	[***]
Denver, CO 80202	[***]
Email: [***]	Email: [***]

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement on the date or dates set forth below.

/s/ Christopher P. Kalnin	/s/ Eric Jacobsen
Christopher P. Kalnin, CEO Kalnin Ventures, LLC	Eric Jacobsen
Date: February 11, 2020	Date: February 10, 2020

EXHIBIT 1

Exempt
Full-time Position

EXHIBIT 2

Employee's Existing Business Enterprises

EXHIBIT 3

Summary of Benefits Currently Offered by
Kalnin Ventures, LLC ("Employer")

Exhibit 10.22

BKV CORPORATION

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is effective as of the 15th day of January, 2021 ("Effective Date"), regardless of the date the Agreement is executed, by and between BKV Corporation, a Delaware corporation (hereinafter referred to as "**Employer**" or "**Company**"), and Brid Kealey (hereinafter referred to as "**Employee**" or "**you**"). Collectively, Employer and Employee shall be referred to as the " **Parties**."

A. Employer desires to engage Employee in the position of Chief Human Resources Officer (CHRO).

B. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms and conditions set forth herein.

C. In consideration of the mutual covenants and promises of the Parties hereto, Employer and Employee agree as follows:

1. Agreement to Employ and be Employed: Employer hereby agrees to employ Employee and Employee hereby accepts and agrees to such employment.

2. At-Will Employment: ***Employee's employment is at-will.*** Nothing in this Agreement guarantees Employee employment with Employer for any specific period of time. This means that, subject to the provisions of this Agreement, Employer may terminate employee at any time with no advance notice, procedure, or formality and for any lawful reason, with or without cause. Similarly, subject to the provisions of this Agreement, Employee may resign his employment at any time and for any reason. Your at-will employment relationship cannot be changed by any oral representation, written document or other conduct unless such change is specifically acknowledged in writing by an authorized executive of the Company.

3. Description of Employee's Duties: Employee will be employed as Chief Human Resources Officer. Employee's job duties are set forth in **Exhibit 1**. The position is exempt from overtime under both state and federal laws and regulations. You will report to Christopher P. Kalnin and your primary office location will be at our offices in Denver, Colorado. Your start date will be approximately February 1, 2021 (the "Start Date"). In addition, we also attach Colorado Overtime and Minimum Pay Standards Order 36.

4. Manner of Performance of Employee's Duties: Employee shall be a full-time employee of Employer, shall devote his best efforts and entire business time, attention, and services exclusively to the business and affairs of Employer, and shall perform his duties as set forth in **Exhibit 1** with fidelity and to the best of his ability, experience, and talent. Employee shall also perform the duties of his position to the reasonable satisfaction of Employer.

Employee will not engage in the performance of services for any other business or entity during the term of this Agreement unless the performance of such services is approved by Employer in advance.

Notwithstanding anything in this Section 4, or in any other provision of this Agreement to the contrary, Employer hereby approves Employee's continued participation in, and service to, the business enterprise identified and described in Exhibit 2.

5. Compensation: In consideration of the services to be provided by Employer during employment, Employer shall compensate Employee as follows:

a. During his employment, Employee shall receive the equivalent of an annual base salary of Two Hundred Ninety-Five Thousand U.S. dollars ($295,000.00), less applicable payroll deductions and required taxes and withholdings ("**Base Compensation**"), with partial periods prorated. Employee's Base Compensation shall be payable in equal periodic installments according to Employer's customary payroll practice. The Base Compensation is based on and intended to compensate Employee for all hours worked.

b. During your employment, Employee may participate in Employer benefit plans and programs described in the attached **Exhibit 3**, to the extent that Employer maintains such plans or programs and in accordance with the eligibility and participation criteria applicable to each such plan or program. Employee acknowledges that the Employer has the right to change, modify, or eliminate benefits provided to its employees from time to time in Employer's sole discretion without notice to employees. As such, Employee acknowledges and agrees that this Agreement does not create a specific entitlement to any particular benefits, and that Employee will receive benefits at the same level as other similarly situated employees of Employer.

c. During his employment, Employee may also, in Employer's sole discretion, receive compensation each calendar year in addition to his Base Compensation. Such additional compensation will be paid, if at all, in the form of an **Annual Target Bonus**, which Employer intends to fall between 0 percent and 40 percent (0-40%) of the annual Base Compensation. The availability of any bonus will be determined based upon Employer's performance and will take into account Employee's individual effort and satisfactory achievement of established performance goals. Any such Annual Target Bonus (if any) will be paid to Employee, in full and subject to applicable tax, not later than March 15 of the calendar year following the calendar year during which Employee performed the services that gave rise to that Bonus. The bonus would be pro-rated based on your Start Date.

Nothing in this provision (c) is intended to guarantee Employee the payment of a bonus in any amount other than as described in provision (c).

d. Paid Time Off (PTO). PTO includes vacation, sick, personal time, etc. Employee is eligible to accrue up to 30 days of PTO per year. Paid time off is accrued on a pro-rata basis at the rate of 1.15 days/Bi-Weekly throughout the year. Under Employer's policy, employees do not accrue PTO once they have earned their maximum paid time off hours per year. The accrual will resume once the amount of accrued PTO is less than the maximum possible accrual. Available PTO will automatically carry over into the new calendar year. Up to 10 days of accrued, unused paid time off will be paid out upon separation, unless otherwise required by law. Advanced but unaccrued paid time off will be deducted from an employee's final paycheck, to the extent permitted by law and Employee hereby authorizes such deduction in accordance with applicable law and waives the right to presentment, notice and protest.

e. Signing Bonus. The Company will pay you a signing bonus of $100,000, less lawful deductions and withholdings within thirty (30) days of your Start Date (the "Signing Bonus").

f. Long Term Incentive. In addition, during your employment, subject to final management approval, you will also be eligible for the Company's Long-Term Incentive Program ("LTIP") pursuant to the terms of the LTIP and grant agreements to be provided separately to you once employed, which is estimated to equate to 100,000 shares. Employee shall also, during your employment, be eligible to receive between 0-300,000 shares pursuant to the terms of the LTIP and grant agreements to be provided separately to you, on January 1, 2023 subject to management approval and satisfactory achievement of performance goals by Employee. Finally, in addition to the Signing Bonus, the availability of any bonus including any grant of LTIP, will be determined based upon the Company's performance and will consider your individual effort and satisfactory achievement of established performance goals.

The compensation described in this Section 5 constitutes all compensation made available by Employer for the services of Employee. No other or additional compensation in any form will be considered or paid for during the period of this Agreement.

6. **Relocation**: Employee shall be promptly reimbursed Employee for reasonable relocation costs incurred as described below to move residence and family, the aggregate of which is not to exceed $30,000. Covered costs include:

a. reasonable broker fees in connection with the sale of the existing family home, reasonable out-of-pocket fees and expenses, and transfer taxes, but not home sales tax;

b. packing and moving of all household goods and shipment of three automobiles based upon a competitive bid approved through the Company's Human Resources department;

Covered expenses do not include other broker fees or mortgage financing fees in excess of two points, in connection with the purchase of a residence.

During an agreed Transition Period, Employee will be reimbursed for reasonable expenses associated with commuting, including two trips accompanied by partner/spouse for purposes of relocation-related planning, and for temporary housing and rental car expenses in accordance with the Company's T&E Policy.

Relocation expenses must be incurred within twelve (12) months from January 1, 2021 and payment will include a full tax gross-up for taxes incurred on receipt of the reimbursements under this section.

7. **Confidentiality**: Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, she may have access to and be entrusted with nonpublic information belonging to, developed by, licensed by, or otherwise in the possession of, Employer or its clients. To protect such information, Employee agrees that she will not, directly or indirectly, in one or a series of transactions, disclose to any person, or use or otherwise exploit for Employee's own benefit or for the benefit of anyone other than Employer, any Confidential Information, as defined below, whether prepared by Employee or not. At the request of Employer, Employee agrees to deliver to Employer, at any time during his employment, or thereafter, all Confidential Information which she may possess or control.

Employee shall be permitted to disclose Confidential Information if and to the extent disclosure of any part thereof is specifically required by law; provided, however, that in the event such disclosure is required by applicable law, Employee shall provide Employer with prompt written notice of such requirement, prior to making any disclosure, so that Employer may seek an appropriate protective order, and Employee only shall disclose information as necessary to comply with legal process. Moreover, in accordance with the Defend Trade Secrets Act ("DTSA"), an employee will not be held criminally or civilly liable under any federal or state trade secret law if an employee discloses a trade secret in confidence to federal, state, or local government officials, to his/her attorney solely for the purpose of reporting or investigating a suspected violation of law, or in a sealed complaint or other document filed in a lawsuit or other proceeding. Further, an employee who files a lawsuit alleging retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to his attorney and use the trade secret information in the court proceeding if the individual: (a) files the document containing the trade secret in a sealed court document and (b) does not disclose the trade secret, except pursuant to court order. The DTSA does not, however, offer protection from liability for individuals who access trade secrets by unlawful means.

Notwithstanding the foregoing, nothing in this Agreement is intended to prevent Employee from engaging in activity protected by the National Labor Relations Act, including engaging in discussion of concerns about working conditions or other concerted activities.

"**Confidential Information**" means any of Employer's and its Affiliates' confidential information including, without limitation, all provisions hereunder, any information, processes, plans, data calculations, software storage media or other compilation of information, patent, patent application, copyright, "know-

how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, any portion or phase of any scientific or technical information, ideas, discoveries, designs, inventions, creative works, computer programs (including source of object codes), processes, formulae, improvements or other proprietary or intellectual property of the Employer, whether or not in written or tangible form, and whether or not registered or labeled as confidential, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The covenant in this Section 7 shall survive termination of this Agreement. "Affiliate" is defined as all parent, sister and subsidiary companies.

8. Inventions, Ideas, and Other Intellectual Developments: In view of the purposes of Employer and the need to secure for the Employer and/or Interested Parties (defined below) their right to Intellectual Developments (defined below) related to the business of Employer and/or such Interested Party, Employee understands that Employer must be in a position to use, assign, and otherwise dispose of Intellectual Developments made by its staff members and employees. Accordingly, except for those items excluded by Section 12 below, Employee shall promptly disclose to Employer and, when requested, furnish to the Employer a complete record of every discovery, invention, improvement, innovation, design, analysis, reports, drawings, copyright, intellectual property right and other definite and useful idea or compilation of information of value (individually and collectively an "**Intellectual Development**"), which Employee may make or originate, individually or with others, at any time during the term of Employee's employment by the Employer. Employee hereby assigns to the Employer or its nominee the entire rights throughout the world to such Intellectual Developments which relate to the current or potential business or activities of the Employer or any Interested Parties or which results from Employee's work with Employer. The term "**Interested Parties**" means any person having a business relationship with the Company where the relationship gives rise to a claim by that person to some interest in Intellectual Developments made by employees and associates of the Employer or its Affiliates.

9. Cooperation: Employee shall fully cooperate with Employer or its designees in securing, in the name of the Company or its designees, rights with respect to the Intellectual Developments described in Section 8 above, in all countries. Employee shall promptly execute all proper documents presented for signature and do all things reasonably required to enable Employer or its designees to accomplish the above, at any time during or after Employee's employment.

10. Shop Rights and Holdover: Employee agrees that Employer or its designees shall be entitled to shop rights to any Intellectual Developments conceived or made by Employee that is not related to the Employer's trade secrets and/or Confidential Information but conceived or made on Company time or with the use of Employer's facilities or materials. Employee further agrees that any Intellectual Developments related to Employer's trade secrets and/or Confidential Information described by Employee in a patent, service mark, trademark, or copyright application, disclosed by Employee in any manner to a third person, or created by Employee or Employee's affiliates or any person with whom Employee has any business, financial or confidential relationship, within one (1) year after cessation of Employee's employment with Employer for any reason, was conceived or made by Employee during Employee's employment with Employer and is therefore the sole property of Employer or its designees.

11. Information and Testimony: For a period of time up to five years from Employee's last date of employment with Employer, Employee shall, without expense to Employee, give such true information and testimony at reasonable times and places upon prior notice, under oath if requested, as may be requested by Employer or its designees relative to any Intellectual Development described in Section 8 above.

12. Interest of the Employee: As to inventions, applications for patents, and copyrightable material in which Employee presently holds an interest and which are not subject to this Agreement:

Check One:

☐ Employee has no such property.

☐ Employee has described all such property in Section 13 below.

13. Description of Inventions, Applications for Patents and Copyright Material Exempted in Section 12 .

Employee to insert description of applicable inventions, patents and copyright material below.

By: _____on_____

_____ Date

14. Restrictive Covenant: Because Employee will be provided with proprietary, confidential, and trade secret information, the Employee shall not, during his employment:

a. enter into, own, manage, operate, control, be employed with, or engage, as an employee, associate, officer, director, shareholder, partner or in any other capacity, on behalf of any association, enterprise, company, or firm that provides services or products in competition with Employer, except as otherwise provided in Exhibit 2 to this Agreement;

b. directly or indirectly solicit or attempt to solicit the business of any client or customer or active customer prospect of the Employer or any of its Affiliates for his own benefit or that of any third person or organization; and

c. directly or indirectly induce any employee or contractor of Employer or any of its Affiliates to leave his or his employment or independent contract with Employer or any of its Affiliates.

15. Non-Disparagement: Employee agrees that at any time during his employment with the Employer and at any time thereafter, Employee shall not, except in the good faith commission of his duties and responsibilities, make, or cause or assist any other person to make, any statement or other communication that impugns or attacks, or is otherwise critical to the reputation, business or character of the Employer or any of its officers, directors, members, managers, employees, products or services.

16. Reasonableness of Restraints, Irreparable Harm: Employee acknowledges that: (a) the agreements and covenants contained herein are reasonably necessary to protect the goodwill, Confidential Information, Intellectual Developments, trade secrets, and other business interests of Employer; (b) any breach of the covenants contained herein will cause Employer immediate irreparable harm for which injunctive relief would be necessary; (c) the covenants contained herein are essential and material elements of this Agreement and Employer would not have entered into this Agreement or permitted Employee to obtain employment or remain employed without those covenants being included in this Agreement; (d) Employee has had the opportunity to consult with and be advised by legal counsel concerning the reasonableness and propriety of the covenants contained herein; and (e) in the event of any violation or attempted violation of the covenants contained herein, Employer shall be entitled to a temporary restraining order, temporary or permanent injunctions, and other injunctive relief, without any showing of irreparable harm or damage or any need to post a bond, in addition to any other rights or remedies which may then be available to Employer. In addition to, but not instead of, any other legal or equitable remedies available to Employer, Employee hereby agrees to reimburse Employer for reasonable attorneys' fees and costs incurred by Employer in the event Employer is successful in showing a violation or attempted violation of this Agreement as determined by a court of competent jurisdiction.

17. No Existing Obligations: Employee represents that Employee: (a) is not subject to a confidentiality, trade secret, conflict of interest, or non-competition agreement with any former employer, contractor or third party; and (b) has no continuing obligations to any former employer, contractor or third party with respect to the ownership or assignment of any proprietary rights, including, but not limited to, inventions, ideas, copyrights, trade secrets or patents, including any such rights in information, or creations or materials Employee conceived or made, in whole or in part that will impact Employee's services for Employer. Employee understands that any such agreement or obligation, as well as any trade secret and other property laws, may restrict Employee from using any secret or proprietary information that belongs to any former employer, contractor or third party, either for Employee's own benefit or for anyone else's benefit, including Employer. Employee also understands that Employee, or anyone else who uses or benefits from a third party's proprietary information, may be liable to that third party; therefore, Employee agrees not to use any confidential, trade secret, or proprietary information that belongs to any former employer, contractor, or third party during the term of employment, either for Employee's own benefit or to benefit Employer or any of its clients, customers, or affiliates.

18. Termination of Employment and Termination Payment. Notwithstanding the at-will nature of your employment, if your employment is terminated by the Company without "Cause" as defined below, in addition to the (1) payment of your Base Compensation and any bonuses earned through the termination date, (2) payment for any unused, accrued vacation days as of your termination date, and (3) reimbursement of any outstanding, reasonable business expenses incurred by you through the termination date, you will be eligible to receive a severance benefit equal to the sum of six (6) months of your annual Base Compensation as of the date of termination, provided you execute a Separation Agreement and General Release provided by the Company (the "Separation Agreement"). For purposes of this letter, the term "Cause" shall mean any of the following: (i) other than as a result of a disability, your willful failure to perform your duties; (ii) your willful engagement in misconduct which is injurious to the Company, monetarily or otherwise; (iii) your conviction of a crime (including a nolo contendere plea) involving, in the good faith of the Company, fraud, dishonesty or moral turpitude; (iv) the negligent performance of your duties; (v) your breach of any covenant set forth in the Confidential Information and Non-Solicitation Agreement; or (vi) your breach of any material Company policy. You will be considered to have been terminated for "Cause" if the Company determines in good faith that you engaged in an act constituting "Cause" even after a resignation by you.

19. Non-Competition. In exchange for the termination payment described in Section 18 above, for a period of five (5) months following termination of Employee's employment, for any reason, Employee shall not (1) enter into or engage in any business which competes with the Company or any of its subsidiaries or affiliates ("Company Group") within the States of Pennsylvania, Colorado and Texas ("Restricted Territory"); (2) solicit any known customers, business, assets, investments or patronage (or customer, business, asset, investment or patronage prospects) for, or sell, any products or services in competition with or for any business that competes with the Company Group within the Restricted Territory; (3) divert, entice or otherwise take away any known business, assets or investments or patronage (or customer, business, asset, investment or patronage prospects) of the Company Group within the Restricted Territory; or (4) promote, manage or assist, financially or otherwise, any person, firm, association, partnership, corporation or other entity engaged in any business which competes with or is engaged in the same business as the Company Group within the Restricted Territory. For purposes of this section, Employee will be in violation of the non-compete provision set forth herein if Employee engages in any or all of the activities set forth herein directly as an individual on Employee's own account or indirectly as a partner, joint venture, employee, agent, salesperson, consultant, officers and/or director of any firm, association, partnership, corporation or other entity or as a shareholder of any corporation (or owner of any other type of equity interest in any other entity) in which Employee or Employee's spouse, minor child, or parent sharing the same household as Employee owns, directly or indirectly, individually or in the aggregate, more than 1% of the outstanding stock or other equity interests. If it is judicially determined or by consent of Employee that Employee has violated this Section 19 and the Company obtains an order, injunction or other equitable relief, then the period applicable to each obligation that Employee has been determined to have violated will be automatically extended by a period of time equal in length to the period during which such violation occurred.

20. Termination Notice. Your employment may be terminated in writing either by the Company without Cause or by you upon ninety (90) days written notice to the Company. If the Company terminates your employment without Cause, 90 days' notice is not required by the Company, provided that it offers to pay you the severance benefits described in this letter in exchange for you signing a Separation Agreement and General Release. For purposes of clarity, no prior notice is required to terminate your employment by the Company with Cause.

21. Internal Revenue Code Section 409A Compliance. Both you and the Company intend that all compensation or benefits paid under this letter as well as the Separation Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Section 409A") and, accordingly, to the maximum extent permitted, this letter shall be interpreted to be in compliance therewith. By way of example, and not

limitation, with respect to payments triggered by your "termination of employment" (and similar terms) such phrase shall be construed to mean your "separation from service" with the Company (determined under Treasury Regulation Section 1.409A-1(h)). Further, notwithstanding any other provision of this letter to the contrary, if any amount to be paid to you as a result of the termination of your employment pursuant to this letter or the Separation Agreement is "deferred compensation" subject to Section 409A, and if you are a "specified employee" (as defined under Section 409A) as of the date of your termination of employment hereunder, then, to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A, the payment of benefits, if any, scheduled to be paid by the Company to you hereunder during the first six (6) month period following the date of a termination of employment hereunder shall not be paid until the date which is the first business day following the six-month anniversary of the termination of your employment for any reason other than death. Any deferred compensation payments delayed in accordance with the terms of this paragraph shall be paid in a lump sum when paid. In addition, both you and the Company agree to cooperate fully with one another to attempt to ensure compliance with Section 409A, including, without limitation, adopting amendments to arrangements subject to Section 409A and operating such arrangements in compliance with Section 409A; provided, however, nothing in this paragraph shall require you to reduce your compensation; provided, further, however, nothing in this letter shall constitute an agreement to indemnify, gross up or otherwise make you whole for any taxes imposed under Section 409A. The Company does not make any representation as to whether any benefits, payments, or reimbursements under this letter satisfy the requirements of Section 409A or any exemption thereto.

22. Assignment: This Agreement may be assigned by Employer to any affiliated or successor employer without the consent of Employee, and so long as the affiliate or successor accepts the assignment, this Agreement will continue to be binding upon the Employee. This Agreement may not be assigned by Employee.

23. Severability: Each paragraph of this Agreement shall be and remain separate from and independent of, and severable from, all and any other paragraphs herein except where otherwise indicated by the context of the Agreement. To the extent any portion of this Agreement, or any portion of any provision of this Agreement is held to be invalid or unenforceable, it is the Parties' express intent it shall be construed by severing, limiting and reducing it so as to be enforceable to the extent compatible with applicable law. All remaining provisions, and/or portions thereof, shall remain in full force and effect.

24. Modification: Any modification of this Agreement or any additional obligation assumed by either Party in connection with this Agreement shall be in writing and signed by each Party.

25. No Waiver: The failure of either Party to this Agreement to insist upon the performance of any terms and conditions or the waiver of any breach of any terms and conditions of this Agreement shall not be construed as thereafter waiving such terms and conditions, but the same shall continue to remain in full force and effect.

26. Complete Agreement: This Agreement contains the complete agreement concerning the employment agreement between the Parties and supersedes any and all prior understandings and agreements between the Parties concerning the subject matter hereof. The Parties stipulate that neither has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth in this Agreement.

27. Interpretation of Agreement: The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Colorado, without regard to its conflict of law provisions. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

28. Survival: The terms and provisions of Sections 7 through 15 of this Agreement shall survive the cancellation, termination, or expiration of this Agreement.

29. Resolution of Disputes: The parties consent and agree that, except as set forth in this Section 29, any action or proceeding between them arising from this Agreement shall be exclusively referred to binding arbitration in Denver, Colorado in accordance with the rules of the Commercial Arbitration ("AAA") Rules and Mediation Procedures before a single arbitrator selected by the Employer. The decision of the arbitrator shall be final, non-appealable and binding upon the parties and may be enforced in any court having jurisdiction thereof. The AAA Rules regarding discovery shall apply to arbitration under this Agreement. The Arbitrator selected according to this Agreement shall decide all discovery disputes. The parties shall split the administrative cost of arbitration equally and each party shall be responsible for the payment of its own respective legal fees. CLAIMS WHERE MANDATORY ARBITRATION IS PROHIBITED BY A VALID NON-PREEMPTED LAW ARE EXPLICITLY EXCLUDED FROM THIS ARBITRATION PROVISION. CLAIMS IN ARBITRATION SHALL BE FILED AND MAINTAINED ONLY ON AN INDIVIDUAL BASIS. EMPLOYEE MAY NOT FILE OR MAINTAIN ANY CLAIM IN ARBITRATION ON BEHALF OF OTHERS, COLLECTIVELY OR OTHERWISE, OR AS A NAMED PLAINTIFF/CLAIMANT OR MEMBER IN ANY PURPORTED CLASS, COLLECTIVE, OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PARTY'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A COLLECTIVE, CLASS, OR REPRESENTATIVE ARBITRATION PROCEEDING. Notwithstanding the foregoing, any claim related to Sections 7 through 15 of this Agreement shall be asserted exclusively in the state or federal courts of the State of Colorado, and Employee hereby expressly consents to the jurisdiction thereof.

30. Notice: Notice shall be provided in writing via certified mail (return receipt requested), overnight courier or personal delivery to the address set forth below.

If to Employer:
BKV Corporation
Attn: Christopher P. Kalnin
1200 17th Street, Suite 2100
Denver, CO 80202
Email: [***]

If to Employee:

_____

_____

_____

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement on the date or dates set forth below.

/s/ Brid Kealey	/s/ Christopher P. Kalnin
Brid Kealey	Christopher P. Kalnin, CEO BKV Corporation
Date: January 19, 2021	Date: January 19, 2021

EXHIBIT 1

Exempt
Full-time Position

EXHIBIT 2

Employee's Existing Business Enterprises

EXHIBIT 3

Summary of Benefits Currently Offered by
BKV Corporation ("Employer")

Exhibit 10.23

KALNIN VENTURES, LLC

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is effective as of the 15th day of October 2018 ("Effective Date"), regardless of the date the Agreement is executed, by and between Kalnin Ventures LLC, a Colorado limited liability company (hereinafter referred to as "**Employer**"), and **Lindsay B. Larrick** (hereinafter referred to as "**Employee**"). Collectively, Employer and Employee shall be referred to as the " **Parties.**"

A. Employer desires to engage Employee in the position of Vice President and General Counsel.

B. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms and conditions set forth herein.

C. In consideration of the mutual covenants and promises of the Parties hereto, Employer and Employee agree as follows:

1. **Agreement to Employ and be Employed**: Employer hereby agrees to employ Employee and Employee hereby accepts and agrees to such employment.

2. **Duration of Employment**: ***Employee's employment is at will.*** Nothing in this Agreement guarantees Employee employment with Employer for any specific period of time. This means that, subject to the provisions of this Agreement, Employer may terminate employee at any time with no advance notice, procedure, or formality and for any lawful reason. Similarly, subject to the provisions of this Agreement, Employee may resign their employment at any time and for any reason. The time that Employee is employed by Employer shall be referenced as the "**Term of Employment**."

3. **Description of Employee's Duties**: Employee will be employed as Vice President and General Counsel. Employee's job duties are set forth in **Exhibit 1**. The Vice President and General Counsel position is exempt from overtime under both state and federal laws and regulations.

4. **Manner of Performance of Employee's Duties**: Employee shall be a full-time employee of Employer, shall devote their best efforts and entire business time, attention, and services exclusively to the business and affairs of Employer, and shall perform their duties as set forth in **Exhibit 1** with fidelity and to the best of their ability, experience, and talent. Employee shall also perform the duties of their position to the reasonable satisfaction of Employer.

Employee will not engage in the performance of services for any other business or entity during the term of this Agreement unless the performance of such services is approved by Employer in advance.

Notwithstanding anything in this Section 4, or in any other provision of this Agreement to the contrary, Employer hereby approves Employee's continued participation in, and service to, the business enterprise identified and described in Exhibit 2.

5. **Compensation**: In consideration of the services to be provided by Employer during the Term of Employment, Employer shall compensate Employee as follows:

a. During the Term of Employment, the Employee shall receive the base gross compensation of three hundred thousand U.S. dollars ($300,000.00) annually, less approved payroll deductions and required taxes and withholdings ("**Base Compensation**"), with partial periods prorated. Employee's Base Compensation shall be payable in equal periodic installments according to the Employer's customary payroll practice. The Base Compensation is based on, and intended to compensate Employee for, Employee's full-time work schedule.

b. As additional consideration in exchange for the Employee's execution of and compliance with the terms of this Agreement, the Employee shall receive a one-time additional payment of three hundred thousand U.S. dollars ($300,000.00), less approved payroll deductions and required taxes and withholdings ("**Additional Compensation**"). The Additional Compensation shall be payable on the Effective Date.

c. During the Term of Employment, Employee may participate in the Employer benefit plans and programs described in the attached **Exhibit 3** (and includes additional documentation to be provided by the Employer), to the extent that Employer maintains such plans or programs and in accordance with the eligibility and participation criteria applicable to each such plan or program. Employee acknowledges that the Employer has the right to change, modify, or eliminate benefits provided to its employees from time to time in Employer's sole discretion. As such, Employee acknowledges and agrees that this Agreement does not create a specific entitlement to any particular benefits, and that Employee will receive benefits at the same level as other similarly situated employees of Employer.

d. During the Term of Employment, Employee may also, in Employer's sole discretion, receive compensation each calendar year in addition to their Base Compensation. Such additional compensation will be paid, if at all, in the form of an **Annual Target Bonus**, which Employer intends to fall between 0 percent and 40 percent of the annual Base Compensation. The availability of this bonus will be determined based upon Employer's performance and will take into account Employee's individual effort and satisfactory achievement of established performance goals. Any such Annual Target Bonus (if any) will be paid to Employee, in full and subject to applicable tax, not later than March 15 of the calendar year following the calendar year during which Employee performed the services that gave rise to that Bonus.

Nothing in this provision (d) is intended to guarantee Employee the payment of a bonus in any amount.

The compensation described in this Section 5 constitutes the entire payment by the Employer for the services of the Employee. No other or additional compensation in any form will be considered or paid for during the period of this Agreement.

6. **Confidentiality**. The Employee acknowledges that, in the course of performing and fulfilling their duties hereunder, they may have access to and be entrusted with nonpublic information belonging to, developed by, licensed by, or otherwise in the possession of, Employer or its clients. To protect such information, Employee agrees that they will not, directly or indirectly, in one or a series of transactions, disclose to any person, or use or otherwise exploit for Employee's own benefit or for the benefit of anyone other than Employer, any Confidential Information, as defined below, whether prepared by Employee or not. At the request of Employer, Employee agrees to deliver to Employer, at any time during the Term of Employment, or thereafter, all Confidential Information which they may possess or control. Employee agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by him during the Term of Employment constitutes a work-for-hire and exclusively belongs to Employer, and not to Employee.

Employee shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure of any part thereof is specifically required by law; provided, however, that in the event such disclosure is required by applicable law, Employee shall provide Employer with prompt notice of such requirement, prior to making any disclosure, so that Employer may seek an appropriate protective order. Moreover, the Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret if disclosure is made: I) in confidence to a government official (directly or indirectly) or an attorney; and 2) solely for the purpose of reporting or investigating a suspected violation of law. Further, the Employee will not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret if disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, provided that the filing is done under seal. If the Employee files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, the Employee may disclose the trade secret to their attorney and use the trade secret information in the court proceeding, provided that any document containing the trade secret is filed under seal and the Employee does not disclose the trade secret except as provided by court order.

Notwithstanding the foregoing, nothing in this Agreement is intended to prevent the Employee from engaging in activity protected by the National Labor Relations Act, including engaging in discussion of concerns about working conditions or other concerted activities.

"**Confidential Information**" means any of the Employer's confidential information including, without limitation, all provisions hereunder, any information, processes, plans, data calculations, software storage media or other compilation of information, patent, patent application, copyright, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, any portion or phase of any scientific or technical information, ideas, discoveries, designs, inventions, creative works, computer programs (including source of object codes), processes, formulae, improvements or other proprietary or intellectual property of the Employer, whether or not in written or tangible form, and whether or not registered or labeled as confidential, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The covenant in this Section 6 shall survive termination of this Agreement.

7. **Intellectual Property**: The Employee recognizes and agrees that all copyrights, trademarks, or other intellectual property rights to created works arising in any way from, or related to, the Employee's employment by the Employer are the sole and exclusive property of the Employer. Employee further agrees not to assert any rights to those works against the Employer or any third-parties and agrees to assist the Employer in any reasonable way requested to procure or protect the Employer's rights to those works. This Section 7 shall survive termination of this Agreement.

8. **Restrictive Covenant**: Because Employee will be provided with proprietary, confidential, and trade secret information, the Employee shall, during their Term of Employment, refrain from:

1) undertaking employment or any compensated duties on behalf of any association, enterprise, company, or firm that provides services or products in competition with Employer, except as otherwise provided in Exhibit 2 to this Agreement;

2) directly or indirectly soliciting or attempting to solicit the business of any client or customer of the Employer for their own benefit or that of any third person or organization; and

3) directly or indirectly inducing any employee or contractor of Employer to leave their or their employment or independent contract with Employer.

9. **No Existing Obligations**: Employee represents that Employee: I) is not subject to a confidentiality, trade secret, conflict of interest, or non-competition agreement with any former employer, contractor or third party; and 2) has no continuing obligations to any former employer, contractor or third party with respect to the ownership or assignment of any proprietary rights, including, but not limited to, inventions, ideas, copyrights, trade secrets or patents, including any such rights in information, or creations or materials the Employee conceived or made, in whole or in part. Employee understands that any such agreement or obligation, as well as any trade secret and other property laws, may restrict the Employee from using any secret or proprietary information that belongs to any former employer, contractor or third party, either for Employee's own benefit or for anyone else's benefit, including Employer. Employee also understands that Employee, or anyone else who uses or benefits from a third party's proprietary information, may be liable to that third party; therefore, Employee agrees not to use any confidential, trade secret, or proprietary information that belongs to any former employer, contractor, or third party during the Term of Employment, either for Employee's own benefit or to benefit Employer or any of its clients, customers, or affiliates.

10. **Assignment**: This Agreement may be assigned by the Employer to any affiliated or successor employer without the consent of the Employee, and so long as the affiliate or successor accepts the assignment, this Agreement will continue to be binding upon the Employee. This Agreement may not be assigned by the Employee.

11. **Severability**: Each paragraph of this Agreement shall be and remain separate from and independent of, and severable from, all and any other paragraphs herein except where otherwise indicated by the context of the Agreement. The decision or declaration that one or more of the paragraphs are null and void shall have no effect on the remaining paragraphs of this Agreement.

12. **Modification**: Any modification of this Agreement or any additional obligation assumed by either Party in connection with this Agreement shall be in writing and signed by each Party.

13. **No Waiver**: The failure of either Party to this Agreement to insist upon the performance of any terms and conditions or the waiver of any breach of any terms and conditions of this Agreement shall not be construed as thereafter waiving such terms and conditions, but the same shall continue to remain in full force and effect.

14. **Complete Agreement**: This Agreement contains the complete agreement concerning the employment agreement between the Parties. The Parties stipulate that neither has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth in this Agreement.

15. **Interpretation of Agreement**: The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Colorado. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

16. **Survival**: The terms and provisions of Sections 6 and 7 of this Agreement shall survive the cancellation, termination, or expiration of this Agreement.

17. **Resolution of Disputes**: Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved by binding arbitration conducted by the Judicial Arbiter Group, Inc., or its successor, in Denver, Colorado ("**JAG**"). Judgment on the award rendered by JAG may be entered in any court having jurisdiction thereof. Demand for arbitration shall be submitted only to the persons listed below. After a demand is submitted, the Parties shall have ten (10) days to mutually agree upon an arbitrator then providing such services through JAG or its successor. If the Parties cannot so mutually agree, then they hereby stipulate to the appointment of an arbitrator chosen by JAG. In addition to any relief, order, or award that enters as determined by the arbitrator or court, the Parties agree that the prevailing party, if any, shall be entitled to an award of reasonable attorneys' fees and costs incurred.

Notice shall be provided as follows:

If to Employer:	If to Employee:
Christopher P. Kalnin	Lindsay Larrick
1200 17th Street, Suite 1850	[***]
Denver, CO 80202	[***]

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement on the date or dates set forth below.

/s/ Lindsay B. Larrick	/s/ Christopher P. Kalnin
Lindsay B. Larrick	Christopher P. Kalnin, Managing Director Kalnin Ventures LLC
July 6, 2018	August 14, 2018
Date	Date

[Signature Page to Employment Agreement]

EXHIBIT 1

Exempt from Overtime
Full-time Position

EXHIBIT 2

Employee's Existing Business Enterprises

EXHIBIT 3

Summary of Benefits Currently Offered by Kalnin Ventures LLC ("Employer")

KALNIN VENTURES, LLC

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**") is amended as of the 1 st day of April 2018 by and between Kalnin Ventures LLC, a Colorado limited liability company (hereinafter referred to as "**Employer**"), and An Sao (Ethan) Ngo (hereinafter referred to as " **Employee**"). Collectively, Employer and Employee shall be referred to as the "**Parties**."

A. Employer desires to engage Employee to identify, source, evaluate, underwrite, acquire, manage, and ultimately exit oil and gas investments.

B. Employee is willing to be employed by Employer, and Employer is willing to employ Employee, on the terms and conditions set forth herein. For the reasons set forth above and in consideration of the mutual covenants and promises of the Parties hereto, Employer and Employee agree as follows:

1. **Agreement to Employ and be Employed**: Employer hereby agrees to employ Employee and Employee hereby accepts and agrees to such employment.

2. **Duration of Employment**: Employee's employment with Employer is at will, and not of any particular duration. Nothing in this Agreement guarantees Employee employment with Employer for any specific period of time. This means that, subject to the provisions of this Agreement, Employer may terminate employee at any time with no advance notice, procedure, or formality and for any lawful reason. Similarly, subject to the provisions of this Agreement, Employee may resign his employment at any time and for any reason. The time that Employee is employed by Employer shall be referenced as the "**Term of Employment**."

3. **Description of Employee's Duties**: Employee will be employed as a Senior Vice President of Engineering. Employee's job duties are set forth in **Exhibit 1**. The Reservoir Engineer position is exempt from overtime under both state and federal laws and regulations.

4. **Manner of Performance of Employee's Duties**: Employee shall be a full-time employee of Employer, shall devote his best efforts and entire business time, attention, and services exclusively to the business and affairs of Employer, and shall perform his duties as set forth in Exhibit 1 with fidelity and to the best of his ability, experience, and talent. Employee shall perform the duties of his position to the reasonable satisfaction of Employer.

Employee will not engage in the performance of services for any other business or entity during the term of this Agreement unless the performance of such services is approved by Employer in advance.

Notwithstanding anything in this Section 4, or in any other provision of this Agreement to the contrary, Employer hereby approves Employee's continued participation in, and service to, the business enterprise identified and described in **Exhibit 2**.

5. **Compensation**: In consideration of the services to be provided by Employer during the Term of Employment, Employer shall compensate Employee as follows:

a. During the Term of Employment, the Employee shall receive the base gross compensation of two hundred forty-four thousand, seven hundred twenty-one dollars ($244,721.00) annually, less approved payroll deductions and required taxes and withholdings ("**Base Compensation**"), with partial periods prorated. Employee's Base Compensation shall be payable in equal periodic installments according to the Employer's customary payroll practice. The Base Compensation is based on, and intended to compensate Employee for, Employee's full-time work schedule.

b. During the Term of Employment, Employee may participate in the Employer benefit plans and programs described in the attached Exhibit 2, to the extent that Employer maintains such plans or programs. Employee acknowledges that the Employer has the right to change, modify, or eliminate benefits provided to its employees from time to time in Employer's sole discretion. As such, Employee acknowledges and agrees that this Agreement does not create a specific entitlement to any particular benefits, and that Employee will receive benefits at the same level as other similarly situated employees of Employer.

c. During the Term of Employment, Employee may also, in Employer's sole discretion, receive compensation each calendar year in addition to his Base Compensation. Such additional compensation will be paid, if at all, in the form of an **Annual Target Bonus**, which Employer intends to fall between 20 percent and 40 percent of the annual Base Compensation. The availability of this bonus will be determined based upon Employer's performance, and will take into account Employee's individual effort and satisfactory achievement of established performance goals. Any such Annual Target Bonus will be paid to Employee, in full, not later than March 15 of the calendar year following the calendar year during which Employee performed the services that gave rise to that Bonus.

Nothing in this provision (c) is intended to guarantee Employee the payment of a bonus in any amount .

d. In the event that BKV Oil & Gas Capital Partners, L.P is successfully formed on or before March 1, 2016, with Kalnin Capital Partners, L.P. as its general partner, with Kalnin Ventures LLC as its initial limited partner, and with Banpu North America Corporation as its limited partner, Employee shall be granted a 10 percent partnership interest in Kalnin Capital Partners, L.P. Under no circumstances, however, shall Employee be entitled to all or any portion of such partnership interest after March 15, 2016. This provision is expressly intended to comply with the short-term deferral rule applicable to Section 409A of the Internal Revenue Code.

The compensation described in this Section 5 constitutes the entire payment by the Employer for the services of the Employee. No other or additional compensation in any form will be considered or paid for during the period of this Agreement, except as otherwise provided in Section 6, below.

6. **Signing Bonus**: As additional consideration in exchange for the Employee's execution of and compliance with the terms of this Agreement, Employer agrees to pay the Employee a one-time signing bonus (the "**Signing Bonus**") in the total, gross amount of thirty thousand dollars ($30,000.00), subject to all applicable payroll withholding taxes and any other deductions approved by the Employee. Payment will be made on the first regular payday following commencement of Employee's employment.

7. **Confidentiality**. The Employee acknowledges that, in the course of performing and fulfilling his duties hereunder, he may have access to and be entrusted with nonpublic information belonging to, developed by, licensed by, or otherwise in the possession of, Employer or its clients. To protect such information, Employee agrees that he will not, directly or indirectly, in one or a series of transactions, disclose to any person, or use or otherwise exploit for Employee's own benefit or for the benefit of anyone other than Employer, any Confidential Information, as defined below, whether prepared by Employee or not. Employee shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent disclosure of any part thereof is specifically required by law; provided, however, that in the event such disclosure is required by applicable law, Employee shall provide Employer with prompt notice of such requirement, prior to making any disclosure, so that Employer may seek an appropriate protective order. At the request of Employer, Employee agrees to deliver to Employer, at any time during the Term of Employment, or thereafter, all Confidential Information which he may possess or control. Employee agrees that all Confidential Information of Organization (whether now or hereafter existing) conceived, discovered or made by him during the Term of Employment constitutes a work-for-hire and exclusively belongs to Employer, and not to Employee.

"**Confidential Information**" means any of the Employer's confidential information including, without limitation, any information, processes, plans, data calculations, software storage media or other compilation of information, patent, patent application, copyright, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, any portion or phase of any scientific or technical information, ideas, discoveries, designs, inventions, creative works, computer programs (including source of object codes), processes, formulae, improvements or other proprietary or intellectual property of the Employer, whether or not in written or tangible form, and whether or not registered or labeled as confidential, and including all files, records, manuals, books, catalogues, memoranda, notes, summaries, plans, reports, records, documents and other evidence thereof. The covenant in this Section 7 shall survive termination of this Agreement.

8. **Intellectual Property**: The Employee recognizes and agrees that all copyrights, trademarks, or other intellectual property rights to created works arising in any way from, or related to, the Employee's employment by the Employer are the sole and exclusive property of the Employer. Employee further agrees not to assert any rights to those works against the Employer or any third-parties, and agrees to assist the Employer in any reasonable way requested to procure or protect the Employer's rights to those works.

9. **Restrictive Covenant**: Because Employee will be provided with proprietary, confidential, and trade secret information, the Employee shall, during his Term of Employment, refrain from:

1) undertaking employment or any compensated duties on behalf of any association, enterprise, company, or firm that provides services or products in competition with Employer;

2) directly or indirectly soliciting or attempting to solicit the business of any client or customer of the Employer for his own benefit or that of any third person or organization; and

3) directly or indirectly inducing any employee or contractor of Employer to leave her or his employment or independent contract with Employer.

10. **No Existing Obligations**: Employee represents that Employee: 1) is not subject to a confidentiality, trade secret, conflict of interest, or non-competition agreement with any former employer, contractor or third party; and 2) has no continuing obligations to any former employer, contractor or third party with respect to the ownership or assignment of any proprietary rights, including, but not limited to, inventions, ideas, copyrights, trade secrets or patents, including any such rights in information, or creations or materials the Employee conceived or made, in whole or in part. Employee understands that any such agreement or obligation, as well as any trade secret and other property laws, may restrict the Employee from using any secret or proprietary information that belongs to any former employer, contractor or third party, either for Employee's own benefit or for anyone else's benefit, including Employer. Employee also understands that Employee, or anyone else who uses or benefits from a third party's proprietary information, may be liable to that third party. Therefore, Employee agrees not to use any confidential, trade secret, or proprietary information that belongs to any former employer, contractor, or third party during the Term of Employment, either for Employee's own benefit or to benefit Employer or any of its clients, customers, or affiliates.

11. **Assignment**: This Agreement may be assigned by the Employer to any affiliated or successor employer without the consent of the Employee, and so long as the affiliate or successor accepts the assignment, this Agreement will continue to be binding upon the Employee. This Agreement may not be assigned by the Employee.

12. **Severability**: Each paragraph of this Agreement shall be and remain separate from and independent of, and severable from, all and any other paragraphs herein except where otherwise indicated by the context of the Agreement. The decision or declaration that one or more of the paragraphs are null and void shall have no effect on the remaining paragraphs of this Agreement.

13. **Modification**: Any modification of this Agreement or any additional obligation assumed by either Party in connection with this Agreement shall be in writing and signed by each Party.

14. **No Waiver**: The failure of either Party to this Agreement to insist upon the performance of any terms and conditions or the waiver of any breach of any terms and conditions of this Agreement shall not be construed as thereafter waiving such terms and conditions, but the same shall continue to remain in full force and effect.

15. **Complete Agreement**: This Agreement contains the complete agreement concerning the employment agreement between the Parties. The Parties stipulate that neither has made any representation with respect to the subject matter of this Agreement except such representations as are specifically set forth in this Agreement.

16. **Interpretation of Agreement**: The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Colorado. This Agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

17. **Survival**: The terms and provisions of Section 7 of this Agreement shall survive the cancellation, termination, or expiration of this Agreement.

18. **Resolution of Disputes**: Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved by binding arbitration conducted by the Judicial Arbiter Group, Inc., or its successor, in Denver, Colorado ("**JAG**"). Judgment on the award rendered by JAG may be entered in any court having jurisdiction thereof. Demand for arbitration shall be submitted only to the persons listed below. After a demand is submitted, the Parties shall have ten (10) days to mutually agree upon an arbitrator then providing such services through JAG or its successor. If the Parties cannot so mutually agree, then they hereby stipulate to the appointment of an arbitrator chosen by JAG. In addition to any relief, order, or award that enters as determined by the arbitrator or court, the Parties agree that the prevailing party, if any, shall be entitled to an award of reasonable attorneys' fees and costs incurred.

Notice shall be provided as follows:

If to Employer:	If to Employee:
[***]	[***]
[***]	[***]
[***]	[***]

19. **Review by Banpu North America Corporation**: Employee acknowledges and agrees that this Agreement is subject to review by Banpu North America Corporation ("**BNAC**"), and that material terms of this Agreement may be unilaterally amended by Employer after Employee has executed it to address objections raised by BNAC.

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement on the date or dates set forth below.

/s/ An Sao (Ethan) Ngo	/s/ Christopher P. Kalnin
An Sao (Ethan) Ngo	Christopher P. Kalnin, Managing Director Kalnin Ventures LLC
July 2, 2018	July 2, 2018
Date	Date

EXHIBIT 1
Reservoir Engineer Job Duties
Exempt from Overtime
Full-time Position

EXHIBIT 2

Employee's Existing Business Enterprises

EXHIBIT 3

Summary of Benefits Currently Offered by Kalnin Ventures LLC (“Employer”)

Exhibit 10.25

FINAL EXECUTION VERSION

BKV-BPP POWER, LLC

(A DELAWARE LIMITED LIABILITY COMPANY)

LIMITED LIABILITY COMPANY AGREEMENT

Dated as of
October 29, 2021

Table of Contents

SCHEDULES AND EXHIBITS

BKV-BPP POWER, LLC

LIMITED LIABILITY COMPANY AGREEMENT

ARTICLE 1. RECITALS AND DEFINITIONS

This Limited Liability Company Agreement (this "Agreement") is entered into as of October 29, 2021 (the "Effective Date") by and between BKV Corporation, a Delaware corporation ("BKV"), with a business address of 1200 17th Street, Suite 2100, Denver, CO 80202, and Banpu Power US Corporation, a Delaware corporation ("BPPUS"), with a business address of c/o Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Delaware 19808. BKV and BPPUS are hereinafter each individually referred to as a "Venturer" and, collectively as the "Venturers."

1. Recitals. The Venture has been formed to acquire Temple Generation Intermediate Holdings II, LLC (the "Company"), and is being formed to own the limited liability interests of Company, and to manage the Business in accordance with terms and conditions contained herein. The Company is the direct owner of all equity interests in Temple Generation I, LLC, a Delaware limited liability company (the "Project Company"). The Project Company is the owner of (i) the Temple 1 Project and (ii) 50% of the equity interests in Temple Generation SF LLC, a Delaware limited liability company (the "SPE");

BKV and BPPUS view the Company as a first step in a long-term partnership to grow and develop a power business in the United States. The Venturers desire and intend for the Company to create value and long-term success for the Venturers. The Venturers further desire to work together in good faith to establish a framework for cooperation and development of the Company going forward so that both Venturers feel they are being heard and all opinions and thoughts are valued and respected. This framework will be developed jointly by the Board (as hereinafter defined) through this Agreement;

To the extent practical, the Company will be structured in accordance with the applicable customary practices and procedures in the United States for Delaware limited liability companies engaging in the power sector. According to the terms of this Agreement, the Board will be vested with the authority to govern the Company and the Board in turn will seek to delegate appropriate authority to the general manager ("GM"), as applicable, in line with U.S. market practice for companies in the power sector. Pursuant to the terms of this Agreement and as the Board may determine, the GM may make any decision for day-to-day management of, and administration services to, the Company that is not designated as a Board Reserved Matter in this Agreement, as long as and to the extent permitted allowed by applicable law and the short-term and long-term Business Plan and the Annual Budget to be designated and approved by the Board from time to time in accordance with this Agreement. The GM shall be subject to the overall authority, supervision and direction of the Board; and

The Venturers recognize the overarching goal of maintaining a successful working relationship and partnership for the long term with the objective of developing the existing and future power assets of the Company as one team and therefore agree that all Venturers should be afforded fair and equitable treatment (except for the additional treatment required to achieve the purpose of financial accounting objective set out below).

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth or referred to below.

"Act" means, the Limited Liability Company Act of the State of Delaware.

"Administrative Services Agreement" – See Section 4.8.

"Adjusted Capital Account" – See Section 5.3.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling or Controlled by, or under direct or indirect common Control with, such Person.

"Agreement" – See preamble.

"Annual Budget" – See Section 1.

"Approved Budget" – See Section 4.4.

"BKV" – See preamble.

"BNAC" – See Section 3.1.

"Board" – See Section 8.2.

"Board Reserved Matters" – See Section 8.14.

"BPPUS" – See preamble.

"Business" means the direct or indirect ownership, operation, maintenance, financing, administration and improvement of the Temple 1 Project, including the generation and sale or purchase of electricity, capacity, ancillary services, steam, fuel, or water with respect to the Temple 1 Project and the conduct of other activities related or incidental to the foregoing, including the ownership interest in the SPE.

"Business Day" means any day except a Saturday, Sunday or any other day on which commercial banks in Fort Worth, Texas are authorized or required by law to close. If a date set for any action hereunder is not a Business Day then such date for action shall be the next succeeding day that is a

Business Day.

"Business Plan" – See Section 4.4.

"Capital Account" – See Section 5.1.

"Capital Contributions" means, for each Venturer, the sum of (i) such Venturer's Initial Capital Contribution under Section 3.1 and (ii) such Venturer's additional capital contributions under Section 3.2.

"Certificate" – See Section 2.1.

"Chairman of the Board" – See Section 8.4.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" – See Section 1.

"Confidential Information" – See Section 11.12.

"Designated Individual" – See Section 4.6.

"Effective Date" – See preamble.

"Emergency" means any situation or event, as determined in good faith by the requesting Venturer, which resulting in a state that calls for immediate action that without such action may result in disruption to the operation of the Temple I Project, significant loss of or damage to property, loss of life or significant injury to any person or party and/or adversely impact a third party, accidental pollution, or threaten the Venture or its affiliates' reputation.

"Event of Default" – See Section 10.1.

"Fiscal Year" – See Section 4.7.

"GM" – See Section 1.

"Governmental Authority" means any governmental or quasi-governmental authority or official, including, without limitation, any federal, state, territorial, county, district, municipal or other governmental or quasi-governmental agency, board, branch, bureau, commission, court, department, other instrumentality, political unit, subdivision or official, whether domestic or foreign.

"IRS" means the United States Internal Revenue Service.

"Majority" means more than 50% of the votes cast.

"Material Contract" means the following agreements without any threshold: (a) power purchase agreement, (b) gas transportation agreement, (c) gas supply and storage agreement, ((d) long-term services agreement, and e) energy management agreement, (f) asset management agreement,

and the following agreements provided they are in excess of $1,500,000 per contract individually or $5,000,000 per year in aggregate: (a) any agreement for indebtedness, (b) treasury and accounting agreement; and (c) operation and maintenance agreement.

"Net Capital Proceeds" means proceeds from any sale, refinancing, insurance recovery, eminent domain award or other similar capital event, in excess of amounts used to pay debt then due, transaction costs, amounts applied to restore or improve the Temple 1 Project and reserves reasonably required by the Venturers to fund contingent or unmatured liabilities of the Venture.

"Net Income" means sales less the total cost of goods sold, selling, general, and administrative expenses, operating expenses, depreciation, interest, taxes, and other expenses.

"Notices" – See Section 11.1.

"Operating Cash Flow" means, for a given period, all cash receipts of the Venture (other than proceeds from a capital event) during such period in excess of the following items attributable to such period (except to the extent any of the following are funded out of reserves or proceeds from capital events): operating expenses, debt service, expenditures on capital improvements and reserves reasonably required by the Venturers to fund contingent or unmatured liabilities of the Venture.

"Ownership Percentages" has the meaning set forth in Schedule 2.6.

"Qualified Income Offset" – See Section 5.5.

"Partnership Representative" has the meaning set forth in Section 4.6.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any Governmental Authority.

"Project Company" – See Section 1.

"Regulatory Allocations" – See Section 5.6.

"Report Requirements" – See Schedule 4.2.

"SPE" – See Section 1.

"Taxable Year" – See Section 4.7**.**

"Temple 1 Project" means the Temple I combined cycle gas turbine facility in Temple, Texas, together with all auxiliary equipment, ancillary and associated facilities and equipment, electrical transformers, cooling and waste water management facilities and electrical interconnection and metering facilities (whether owned or leased) used for the receipt of fuel and water and the delivery of the electrical output of such plant, and all other improvements and other assets related to the ownership, operation and maintenance of such plant and associated equipment.

"Treasury Regulations" means the regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Venture" – See Section 2.1.

"Venture Minimum Gain" – See Section 5.4.

"Venturer" – See preamble.

"Venturer Loan Agreement" – See Section 3.1.

"Venturer Nonrecourse Debt Minimum Gain" – See Section 5.4.

ARTICLE 2. FORMATION OF VENTURE

2.1 Organization. With the consent of the Board, BKV-BPP Power, LLC (the "Venture") has been formed by the filing of its Certificate of Formation with the Delaware Secretary of State pursuant to the Act. The Certificate of Formation may be restated as provided in the Act or amended to change the address of the office of the Venture in Delaware and the name and address of its resident agent in Delaware or to make corrections required by the Act. The Certificate of Formation, as so amended from time to time, is referred to herein as the "Certificate." BKV shall deliver a copy of the Certificate and any amendment thereto to any Venturer who so requests. Each of BKV and BPPUS are hereby admitted as a member of the Venture.

2.2 Purposes and Powers. The principal business activity and purposes of the Venture shall be to manage the assets and property of the Venture and to engage in all actions necessary, convenient or incidental thereto. The Venture shall not engage in any other business or activity.

2.3 Principal Business Office, and Registered Agent. The principal business office of the Venture shall be located at 1200 17th Street, Suite 2100, Denver, CO 80202. The principal business office of the Venture may be changed from time to time by consent of the Board. The agent for service of process on the Venture shall be Corporation Service Company.

2.4 Qualification in Other Jurisdictions. BKV shall cause if necessary, the Venture, to be qualified or registered in any other jurisdiction in which the Venture transacts business.

2.5 Powers. In furtherance of its purposes, but subject to all of the provisions of this Agreement, the Venture shall have and exercise all of the powers and rights which can be conferred upon limited liability companies formed pursuant to the Act.

2.6 Venturers. The Venturers of the Venture, their addresses, and their Ownership Percentages shall be listed on Schedule 2.6 and said Schedule 2.6 shall be amended from time to time by the Board, to reflect the withdrawal of Venturers or the admission of additional Venturers pursuant to this Agreement.

2.7 Representations and Warranties. As an inducement for the Venturers to enter into this Agreement, the Venturers, as applicable, make the representations and warranties set forth on Schedule 2.7.

2.8 Title to Company Assets. Title to the Venture's assets, whether real, personal or mixed and whether tangible or intangible, shall be vested in the Venture as an entity, and no Venturer shall have any ownership interest in the Venture's assets or any portion thereof. Each Venturer hereby waives any right such Venturer may at any time have to cause the Venture's assets to be partitioned among the Venturers or to file any complaint or to institute any proceeding at or in equity seeking to have any one or all of the Venture's assets partitioned. The Venture currently owns 100% of the equity interests in the Company, which owns 100% of the equity interests in the Project Company, which owns the Temple 1 Project.

2.9 No State Law Partnership. The Venturers shall be "members" of a limited liability company for all purposes under applicable state law. The Venturers do not intend for the Venture to be a partnership (including a limited partnership) or joint venture under applicable state law, and no Venturer shall be a partner or joint venturer of any other Venturer by reason of this Agreement for any purpose other than federal and, if applicable, state income tax purposes, and this Agreement shall not be interpreted to provide otherwise. The Venturers intend that the Venture will be treated as a partnership for federal and, if applicable, state income tax purposes, and each Venturer and the Venture will file all tax returns and will otherwise take all tax and financial reporting positions in a manner consistent with such treatment. The Venture will not make any election to be treated as a corporation for federal and, if applicable, state income tax purposes, except with the approval of the Board.

ARTICLE 3. CAPITALIZATION

3.1 Initial Capital Contributions. Upon execution and delivery of this Agreement, (i) BPPUS shall make a capital contribution to the Venture in the amount of $89,000,000 United States Dollars inform of equity contribution ("BPPUS's Initial Capital Contribution") and (ii) BKV shall make a capital contribution to the Venture in the amount of $89,000,000 United States Dollars in form of equity contribution ("BKV's Initial Capital Contribution"). In addition, BPPUS agrees to lend to the Venture in amount of $141,000,000 while Banpu North America Corporation ("BNAC") agrees to lend to the Venture in amount of $141,000,000. Such loans are further described in the Venturer Loan Agreement dated as of October 14, 2021 by and among BPPUS, the Venture and BNAC and the Venture ("Venturer Loan Agreement").

3.2 Additional Capital Contributions. Either BPPUS or BKV, upon thirty Business Days prior written notice, may request that additional cash Capital Contributions be made and the Venturers shall make such Capital Contributions, provided such additional cash Capital Contributions shall be expended on items included in the annual Approved Budget, items in response to an Emergency if the Venture does not have sufficient cash reserves to fund such Emergency, or any other matter approved by the Board. No Venturer will be obligated to make such additional cash Capital Contributions not otherwise required under this Agreement without its consent.

3.3 Form of Capital Contributions. Except as specifically provided for herein, all amounts to be contributed or paid by a Venturer under this Article 3 shall be paid in cash in US dollars.

3.4 No Right to Interest or Return of Capital. Except as specifically provided for herein, no Venturer shall be entitled to any return of, or interest on, Capital Contributions to the Venture or any other amounts funded pursuant to this Article 3.

ARTICLE 4. BOOKS; ACCOUNTING; TAX ELECTIONS; REPORTS

4.1 Books and Records. BKV shall keep complete and accurate books and records of the Venture. The books of the Venture shall be kept in accordance with the accounting method utilized by the Venture for federal income tax purposes. The books of the Venture shall at all times be maintained or made available at the principal business office of the Venture.

4.2 Financial Statements; Reports. BKV shall prepare, or have prepared, and shall furnish to the Venturers the reports listed in Schedule 4.2 (the "Reporting Requirements") within the time periods set forth on Schedule 4.2. BKV shall cooperate and respond, using commercially reasonable efforts, to requests by the Venturers to reasonably expand or modify the format and content of the Reporting Requirements.

4.3 Insurance Program. BKV shall coordinate and implement an insurance program for the Venture that has been approved by the Board.

4.4 Approval of Budgets and Business Plans.

(a) The Board shall prepare, or have prepared, an annual Approved Budget and a Business Plan for Fiscal Year 2023 and each Fiscal Year thereafter no later than September 15th of each current Fiscal Year. The Venture shall implement in each Fiscal Year the Approved Budget and Business Plan. Provided, the GM is hereby authorized to make expenditures of up to $5,000,000 outside of the Approved Budget, per occurrence, and to take all other reasonable measures to protect the Venture and the Business in case of Emergencies. In the event the GM expends funds pursuant to the provisions of this Section 4.4, the GM shall notify the Board of such expenditures commencing as soon as possible following the first expenditure of such funds and keep the Board appraised of all follow up expenditures. If an expenditure over $5,000,000 is required to respond to an Emergency, either Venturer may call an emergency meeting of the Board to review and approve such expenditure. The Approved Budget for 2021 and 2022 agreed by the Venturers are attached hereto as Schedule 4.4.

(b) Except as otherwise contemplated in Section 4.4(a) above, any amendment to the Approved Budget and Business Plan shall require approval by the Board.

4.5 Filing of Returns. BKV shall prepare, or have prepared, all information and materials necessary to enable the tax return preparer to cause the preparation of all tax returns for the Venture. The Venture's income tax returns are subject to the Venturers' approval prior to filing. The final tax returns shall be provided to the Venturers promptly after approval of the draft tax returns and in any event, within ninety (90) days after the end of each Fiscal Year.

4.6 Partnership Representative.

(a) BKV shall be or designate the "Partnership Representative" of the Venture within the meaning of Section 6223 of the Code, or any corresponding or similar provisions under state, local or non-U.S. law and any successor Partnership Representative. The Partnership Representative shall serve as such at the expense of the Venture with all powers granted to a partnership representative under the Code (or any corresponding or similar provision of state, local or non-U.S. tax law). BKV shall have sole authority to designate any "Designated Individual" as described in Treasury Regulations Section 301.6223-1 (and any similar provisions of state and local law) and any successor Designated Individual.

(b) The Partnership Representative shall represent the Venture in any disputes, controversies, or proceedings with the IRS or with any state, local, or non-U.S. taxing authority. Except as otherwise provided in this Section 4.6, the Partnership Representative shall be entitled to take such actions on behalf of the Venture in any and all proceedings with the IRS and any other such taxing authority as it reasonably determines to be appropriate and any decision made by the Partnership Representative shall be binding on all Venturers, provided, the Partnership Representative receives approval of the Board with respect to its duties. The Venturers agree to cooperate in good faith to timely provide information reasonably requested by the Partnership Representative. Any cost or expense incurred by the Partnership Representative in connection with its duties as such, including the preparation for or pursuance of administrative or judicial proceedings, shall be paid by the Venture. Without limiting the foregoing, the Partnership Representative shall apply the provisions of subchapter C of charter 63 of the Code, or similar provisions of state, local or non-U.S. tax law, with respect to any audit imputed underpayment, other adjustment, or any such decision or action by the IRS (or other tax authority) with respect to the Venture or the Venturers for such taxable years, as determined by the Partnership Representative. No Venturer shall have any claim against the Venture, Partnership Representative, or the Board for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Venture in order to comply with the rules under subchapter C of charter 63 of the Code, or similar provisions of state, local or non-U.S. law.

(c) The Partnership Representative and/or the designated individual shall have no personal liability arising out of his, her or its good faith performance of his, her or its duties as the Partnership Representative and/or designated individual hereunder. Except with the permission of the Partnership Representative, no Venturer shall take a position on any tax return or other filing with any tax authority (or court) with respect to an item of income, gain, loss, deduction or credit attributable to the Venture that is inconsistent with the Venture's treatment of such item on its tax return or request an administrative adjustment under Section 6222(c) of the Code.

4.7 Fiscal and Taxable Year. The "Fiscal Year" of the Venture shall be the same as the taxable year and the taxable year of the Venture shall be the same as the taxable year of BKV, which taxable year currently ends on December 31.

4.8 Administrative Services Agreement. The Venturers will work in good faith to negotiate a mutually acceptable Administrative Services Agreement between the Venture and BKV or other administrative service providers, which shall be executed no later than forty-five (45) days following the date hereof and the consummation of the acquisition of the Company. The execution or termination of the Administrative Services Agreement or any other agreement between the Venture and BKV or other administrative service providers (as the case may be), or any material amendment of or waiver of material rights thereunder shall be acknowledged by the Board and approved by BPPUS in its sole and absolute discretion.

ARTICLE 5. CAPITAL ACCOUNTS; ALLOCATION OF INCOME AND LOSS

5.1 Capital Accounts. A separate capital account (each, a "Capital Account") shall be maintained for each Venturer in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv), and this Section 5.1, and shall be interpreted and applied in a manner consistent therewith. Whenever the Venture would be permitted to adjust the Capital Accounts of the Venturers pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Venture property, the Venture shall so adjust the Capital Accounts of the Venturers. In the event that the Capital Accounts of the Venturers are adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Venture property, (i) the Capital Accounts of the Venturers shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property, (ii) the Venturers' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Code Section 704(c) and (iii) the amount of upward and/or downward adjustments to the book value of the Venture property shall be treated as income, gain, deduction and/or loss for purposes of applying the allocation provisions of Section 5.2. In the event that Code Section 704(c) applies to Venture property, the Capital Accounts of the Venturers shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to such property in the manner contemplated by Section 5.7.

5.2 Allocation of Income and Loss. After application of Section 5.3 and Section 5.4, and subject to the other provisions of this Article 5, all remaining items of Venture income, gain, loss and deduction as determined for book purposes for the taxable year shall be allocated among the Capital Accounts of the Venturers in such a manner as shall cause the Capital Accounts of the Venturers (as adjusted through the end of such Fiscal Year or other period) to equal, as nearly as possible, in the same proportionate amounts as (a) the amount such Venturers would receive if all assets of the Venture on hand at the end of such Fiscal Year or other period were sold for cash equal to their book values, all liabilities of the Venture were satisfied in cash in accordance with their terms (limited in the case of non-recourse liabilities to the book value of the property securing such liabilities), and all remaining or resulting cash was distributed to the Venturers under Section 6.2 minus (b) such Venturer's share of Venture Minimum Gain (as defined below) and Venturer Nonrecourse Debt Minimum Gain (as defined below), computed immediately prior to the hypothetical sale of assets. Notwithstanding the foregoing, the Board may adjust the allocations made pursuant to this Agreement as long as such adjusted allocations are intended to be in accordance with the interests of the Venturers in the Venture and in accordance with section 704(c) of the Code and the Treasury Regulations thereunder.

5.3 Loss Limitation. Net loss allocated pursuant to Section 5.2 shall not exceed the maximum amount of net loss that can be allocated without causing or increasing a deficit balance in a Venturer's Adjusted Capital Account after application of the Qualified Income Offset described in Section 5.5. A Venturer's "Adjusted Capital Account" balance shall mean such Venturer's Capital Account balance increased by such Venturer's obligation to restore a deficit balance in its Capital Account, including any deemed obligation pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), and decreased by the amounts described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6).

5.4 Minimum Gain Chargebacks and Nonrecourse Deductions. Notwithstanding any other provision of this Agreement:

(a) Venture Minimum Gain Chargeback. In the event there is a net decrease in Venture Minimum Gain during a Fiscal Year (or if there was a net decrease in Venture Minimum Gain for a prior Fiscal Year and the Venture did not have sufficient amounts of income and gain during prior Fiscal Years to allocate among the Venturers under this Section 5.4(a)), the Venturers shall be allocated items of income and gain in accordance with Treasury Regulations Section 1.704-2(f). For purposes of this Agreement, the term "Venture Minimum Gain" shall have the meaning for partnership minimum gain set forth in Treasury Regulations Section 1.704-2(b)(2), and any Venturer's share of Venture Minimum Gain shall be determined in accordance with Treasury Regulations Section 1.704-2(g)(1). This Section 5.4(a) is intended to comply with the minimum gain chargeback requirement of Treasury Regulations Section 1.704-2(f) and shall be interpreted and applied in a manner consistent therewith.

(b) Nonrecourse Deductions. Nonrecourse Deductions shall be allocated to the Venturers pro rata in accordance with their Ownership Percentages. For purposes of this Agreement, the term "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1). This Section 5.4(b) is intended to comply with Treasury Regulations Section 1.704-2(e) and shall be interpreted and applied in a manner consistent therewith.

(c) Venturer Nonrecourse Debt. To the extent required by Treasury Regulations Section 1.704-2(i), any items of income, gain, loss or deduction of the Venture that are attributable to a nonrecourse debt of the Venture that constitutes Venturer Nonrecourse Debt (including chargebacks of Venturer Nonrecourse Debt Minimum Gain) shall be allocated in accordance with the provisions of Treasury Regulations Section 1.704-2(i). For purposes of this Agreement, the term "Venturer Nonrecourse Debt" shall have the meaning for partner nonrecourse debt set forth in Treasury Regulations Section 1.704-2(b)(4), and the term "Venturer Nonrecourse Debt Minimum Gain" shall have the meaning for partner nonrecourse debt minimum gain set forth in Treasury Regulations Section 1.704-2(i)(2). This Section 5.4(c) is intended to satisfy the requirements of Treasury Regulations Section 1.704-2(i)(4) (including the partner nonrecourse debt minimum gain chargeback requirement) and shall be interpreted and applied in a manner consistent therewith.

5.5 Qualified Income Offset. Any Venturer who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes or increases a deficit balance in its Capital Account in excess of any obligation to restore a deficit balance in its Capital Account (including any deemed deficit restoration obligation pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and (i)(5), and adjusted as provided in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)) shall be allocated items of income and gain (consisting of a pro rata portion of each item of income, including gross income, and gain for the Fiscal Year) in an amount and a manner sufficient to eliminate, to the extent required by the Treasury Regulations, such deficit balance as quickly as possible. This Section 5.5 is intended to constitute a qualified income offset under Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied in a manner consistent therewith.

5.6 Curative Allocations. The allocations set forth in Section 5.4 and Section 5.5 (the "Regulatory Allocations") are intended to comply with the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Article 5 (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account as provided for in the following sentence. Income, gain, loss and deduction shall be reallocated to the extent that such reallocation causes the net aggregate amount of allocations of income, gain, deduction and loss to each Venturer to be equal to or more closely approximate the net aggregate amount of such items that would have been allocated to each such Venturer if the Regulatory Allocations had not occurred.

5.7 Tax Allocations. Allocations pursuant to this Section 5.7 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken not account in computing, any Venturer's Capital Account or share of income, gain, deduction or loss or other items or distributions pursuant to any provision of this Agreement. Except as otherwise required by the Code and Treasury Regulations, items of income, gain, deduction, loss or credit, as determined for tax purposes, shall be allocated to and among the Venturers in the same manner that the corresponding book items were allocated to the Venturers' Capital Accounts in accordance with this Article 5. In the event the book value of any asset of the Venture is adjusted pursuant to the other provisions of this Agreement (not including herein the initial booking of any asset contributed to the Venture), subsequent allocations of taxable income, gain, loss and deduction, as determined for tax purposes, with respect to such asset of the Venture shall be determined and allocated among the Venturers so as to account for any book-tax disparity arising from such adjustment in the same manner as would occur as to an asset contributed to the Venture under Code Section 704(c) and the Treasury Regulations thereunder. The Board shall determine the method of allocation from among the reasonable methods allowable by Code Section 704(c) and the Treasury Regulations thereunder.

5.8 Other Tax and Allocation Provisions. In the event it becomes necessary to make any elections or decisions relating to the allocations of Venture items of income, gain, loss, deduction or credit and/or with respect to any tax matters, BKV shall bring such elections or other decisions to the attention of the Board, and such elections or other decisions shall be made as directed by the Board in any manner that reasonably reflects the purpose and intention of this Agreement. Further, the Venture may, if the Board reasonably so elects, make an election pursuant to Code Section 754 and the Treasury Regulations thereunder (and a corresponding election under the applicable sections of state and local law).

ARTICLE 6. DISTRIBUTIONS

6.1 Reserves. The Venture shall maintain such reserves at the Venture level as the Board shall reasonably require in light of potential obligations of the Venture. This obligation shall be reflected in the Annual Budget.

6.2 Distributions. The Board shall determine the amount and timing of distributions of Operating Cash Flow, which shall be no less frequently than quarterly, if available, and Net Capital Proceeds, which shall be distributed to the Venturers within three (3) Business Days after the same become available for distribution. All distributions pursuant to this Section 6.2 shall be made on a pro-rata basis to the Venturers based on their respective Ownership Percentages.

6.3 No Deficit Restoration by Venturers. No Venturer shall be required to contribute capital to the Venture to restore a deficit balance in its Capital Account upon liquidation or otherwise, except as specifically required by law.

6.4 Withholding. If the Venture incurs a withholding tax obligation with respect to the share of income allocated to any Venturer or with respect to any other payments to a Venturer or their Affiliates with respect to any foreign, federal, state, or local tax or withholding liability arising as a result of such Venturer's interest in the Venture, the Venture shall be entitled to withhold such amount and (a) any amount which is (i) actually withheld from a distribution or payment that would otherwise have been made to such Venturer or its Affiliates and (ii) paid over in satisfaction of such withholding tax obligation to any government authority shall be treated for all purposes under this Agreement as if such amount had been distributed or paid to such Venturer as of the date of such withholding, and (b) any amount which is so paid over by the Venture, but which exceeds the amount, if any, actually withheld from a distribution or other payment which would otherwise have been made to such Venturer or its Affiliates, shall be treated as an interest-free advance to such Venturer (including with respect to amounts paid to any of its Affiliates). Amounts treated as advanced to any Venturer pursuant to this Section 6.4 shall be repaid by such Venturer to the Venture within 30 days after BKV gives notice to such Venturer making demand therefore.

ARTICLE 7. RIGHTS AND OBLIGATIONS OF VENTURERS

7.1 Limited Liability. Except as otherwise provided in the Act, no Venturer shall be obligated for any debt, obligation or liability of the Venture or of any other Venturer, whether arising in contract, tort or otherwise, solely by reason of being a Venturer.

7.2 Authority. Unless specifically authorized by the written approval of the Board, no Venturer shall be an agent of the Venture or have any right, power or authority to act for or to bind the Venture or to undertake or assume any obligation or responsibility of the Venture.

ARTICLE 8. MANAGEMENT AND CONTROL

8.1 Powers and Duties of the Board of Managers .

(a) The Board of Managers ("Board") shall be responsible for, and have the authority to control and operate, the business and affairs of the Venture and the interests of the Venturers collectively so as to maximize the Venture's equity value, without regard to the individual interests of any Venturer.

(b) Except for the Board Reserved Matters, the Board delegates certain authority to manage and administer the Business and affairs of the Venture to the GM in accordance with Sections 8.10 – 8.12.

8.2 Appointment of Board Members .

(a) The total number of the Board members shall be eight (8), or such other number as may be determined from time to time by the majority vote of the Board members present and entitled to vote at a duly convened meeting of the Board.

(b) For so long as BPPUS holds equity interests in the Venture, four (4) individuals nominated by BPPUS shall be elected as Board members.

(c) For so long as BKV holds equity interests in the Venture, four (4) individuals nominated by BKV shall be elected as Board members.

(d) The initial Board shall consist of the following members:

(i) As nominees of BPPUS: Mr. Voravudhi Linananda, Dr. Kirana Limpaphayom, Dr. Paul Didsayabutra, Mr. Dechapong Yuwaprecha

(ii) As nominees of BKV: Mr. Anon Sirisaengtaksin, Mr. Thiti Mekavichai, Mr. Christopher Kalnin and Mr. Daniel Androphy

(e) Each member of the Board shall serve a term of up to three (3) years as determined by the Board. A member whose term has expired may be nominated for re-election in accordance with this Section 8.2.

8.3 Removal of Board Members .

(a) A Board member may be removed by notice in writing to the Venture by the Venturer who nominated him/her.

(b) A Board member may be removed where such a Board member is formally charged by a Governmental Authority or regulatory body to have acted in material breach of the law or to have committed any serious criminal offense, or determined by the Board to have committed a breach of any fiduciary duty or material breach of other duty in relation to the Venture, by notice in writing to the Venture from any Venturers, and, in either such event, the Venturer that nominated such Board member shall promptly nominate another Board member in his/her place in accordance with Section 8.2.

8.4 Chairman.

(a) The Majority of the Board shall designate the Chairman of the Board, who shall serve a term of three (3) years.

(b) The Chairman shall chair all meetings of the Board at which he/she is present. The Chairman shall ensure that all relevant papers for any Board meeting are properly circulated in advance and that all such Board meetings are quorate.

(c) If the Chairman is not present at any Board meeting, the Board members present may select any member to act as Chairman for the purpose of such meeting.

(d) If the Chairman ceases to hold office as a Board member during his/her term, the Board shall nominate another of its nominated Board members to be elected as the Chairman for the remainder of the term of the Chairman who ceased to hold office.

8.5 Board Member Remuneration.

(a) The Venture shall cause each Board member promptly to be reimbursed for all reasonable and documented out-of-pocket costs and expenses incurred by him or her in connection with attending meetings of the Board and other meetings and events attended on behalf of the Venture as a member of the Board.

(b) The Board members will not receive remuneration for their services on the Board.

8.6 Board Meetings

(a) The Board shall decide how often Board meetings shall take place, provided that:

(i) they are held monthly on the third (3 rd) week of each month, unless at least a simple majority of the Board agrees otherwise; and

(ii) any Board member may propose to convene a Board meeting at any time.

(b) Participation.

(i) Any Board member shall be entitled to participate in a meeting of the Board of which he or she is a member, at which he or she is not physically present, using any technology, including telephone or video conference or similar electronic means. A meeting called and/or held by means of a telephone conference or a video conference or any similar communication equipment is deemed to be held at the place agreed upon by the Board members attending the meeting.

(c) Notice/Agenda.

(i) At least five (5) Business Days' prior written notice, by hand, email, courier or registered mail, shall be given to each of the Board members of all Board meetings, except where a Board meeting is adjourned under Section 8.7 or a shorter notice period has been agreed in writing by all of the Board members; provided, however, that attendance by a Board member at a Board meeting without receiving any notice shall constitute waiver by him or her of the notice required for such Board meeting under this Section 8.6(c)(i). Such notice shall contain a reasonably detailed agenda and shall be accompanied by any relevant papers.

(ii) Any Venturer or any Board member may propose an item for inclusion in the agenda together with a related resolution to be proposed at such Board meeting.

8.7 Quorum.

(a) Subject to the following provisions of this Section 8.7, the quorum at a Board meeting shall be at least a simple majority of the Board.

(b) If a quorum is not present within half an hour of the time appointed for the meeting or if a quorum ceases to be present during the course of the meeting, the Board members present shall adjourn the Board meeting to a specified place and time not less than three (3) Business Days after the date of such Board meeting where the same quorum shall be required.

(c) If such quorum set forth in Section 8.7(b) is still not present within half an hour of the time appointed for such adjourned Board meeting or if such quorum ceases to be present during the course of such adjourned Board meeting, the Board members present shall again adjourn the Board meeting to a specified place and time not less than three (3) Business Days after the date of such adjourned Board meeting, where the quorum shall be at least any simple majority of the Board.

(d) Notice of any adjourned Board meeting shall be given to all of the Board members.

8.8 Voting. Subject to only Section 8.9 and the Board Reserve Matters, at any Board meeting each Board member shall have one (1) vote and, except where unanimity is otherwise required, all decisions at Board meetings shall be taken by at least simple majority of the votes of the Board members present and entitled to vote. In case of a deadlock among the Board, two BKV directors and two BPPUS directors shall meet and attempt to reach agreement on the deadlock issue. In the event such directors are unable to reach unanimous agreement within fifteen (15) days after the first meeting then such deadlock matter shall go back to the Board and shall be determined by a majority vote of the Board. Provided, however, that if such deadlock could not be solved by the Board, the issue shall be referred to the Venturers for a final decision.

8.9 Unanimous Written Consent. Any decision or other action to be taken by the Board at any Board meeting may, in lieu of a Board meeting, be

taken with the unanimous written consent of all Board members with the same effect as if such decision or action was taken at a duly convened meeting of the Board.

8.10 GM.

(a) The GM may be an employee or officer of BKV or BPPUS.

(b) The Board shall endeavor to appoint a GM, with the approval of BPPUS, on or before twelve (12) months from the date of this Agreement. The Board, with the approval of BPPUS, may remove and replace the GM. The Board has designated Christopher Kalnin and Paul Didsayabutra as Managers of the Venture, each authorized to sign documents and exercise the duties of the GM in accordance with Sections 8.10 – 8.12 until a permanent GM is appointed by the Board.

8.11 Authority and Accountability of GM.

(a) Subject to the Board Reserved Matters and this Agreement, the GM shall have the power to manage and administer the business and affairs of the Venture in accordance with the Business Plan and Approved Budget, expenditures under the thresholds in the Board Reserved Matters, and as permitted pursuant to Section 4.4 regarding Emergencies.

(b) The GM shall be the focal point for, and shall be accountable to, the Board. Subject to Section 8.11(a), the GM shall have full authority to decide, agree, consent to, approve, perform, enter into, delegate or otherwise undertake any activity that does not violate applicable Law for and on behalf the Venture which does not fall within the scope of the Board Reserved Matters, unless it is legally required that such activity requires the prior approval of the Board.

(c) The taking of any action or decision by the GM that is a Board Reserve Matter without the prior approval of the Board will be considered a material breach under this Agreement.

8.12 Authority to Delegate.

(a) The GM shall have the right to execute an Administrative Service Agreement, which has been approved by BPPUS and acknowledged by the Board, to facilitate his duties under this Agreement.

(b) The GM shall have the right to engage, appoint, remove or dismiss consultants or advisors provided the remuneration for such parties is included in the Approved Budget.

8.13 Remuneration. The GM will not be remunerated for his services under this Agreement unless otherwise approved in the Approved Budget.

8.14 Board Reserved Matters. The following items will be Board Reserved Matters and require the unanimous consent of the Board, except as may be delegated by the Board with unanimous consent from time to time:

(a) Any merger, consolidation, amalgamation, conversion of the Venture or any subsidiary of the Venture into another form or entity or other business combination of any nature.

(b) Any winding up, dissolution or liquidation or any commencement of or any filing or petition for a voluntary bankruptcy, reorganization, debt arrangement or other case or proceeding involving the Venture or any subsidiary of the Venture under, or obtaining relief under, any federal or state bankruptcy or insolvency law or making a general assignment for the benefit of creditors of the Venture or any subsidiary of the Venture.

(c) Any plan to or initial sale of the Venture or other equity interests to the public pursuant to a registration under the Securities Act.

(d) Any amendment, restatement, or revocation of the certificate of incorporation, bylaws, operating agreements, limited liability agreement, management agreements, or other constitutional or organizational documents of the Venture or any subsidiary of the Venture.

(e) Any change to the Venture's or any subsidiary of the Venture's name, logo or trademark.

(f) Any material amendment or modification to existing technical review process.

(g) Any entering into any new business or expanding the business into a new country, or changing the Venture's business.

(h) Setting up a joint venture or a business entity, making an investment in any new subsidiary, or changing the ownership structure of the Venture.

(i) Unless specified otherwise in this Agreement, any transaction or contract with any Venturer, member of the Board or any entity, directly or indirectly, owned or controlled by any Venturer or any affiliate of such Venturer or by any member of the Board's family.

(j) Issuing any units or equity, or any increase or decrease of units or equity in the Venture or any subsidiary of the Venture.

(k) Investment in any new entity (including, without limitation, through any entities or vehicles formed in connection with the making of investment in view of the legal, tax, regulatory, business).

(l) Any acquisition or disposal by the Venture or any subsidiary of the Venture of any undertaking, business, company, or stocks or securities of a company.

(m) Any acquisition or disposal by the Venture or any subsidiary of the Venture of any non-operational assets in excess of $1,500,000 on an individual basis.

(n) (i) Any approval of the Business Plan and the Approved Budget (including operating, general and administrative and capital budgets), a long-term strategic direction and an overall management strategy, (ii) any amendments thereto, and (iii) any approval or ratification of any departure from the same; provided that BPPUS's approval shall also be required for any increase in any Approved Budget in any Fiscal Year over 5% of the Approved Budget in the immediately prior Fiscal Year.

(o) Conducting negotiations, supervising documentation or executing all agreements, instruments, documents and matters associated with, and any entry by the Venture or any subsidiary of the Venture into, any operational project which (i) exceed 3-year term, (ii) exceeds value of $2,000,000 per operational project, (iii) exceeds value of $10,000,000 in aggregate per Fiscal Year or (iv) accumulative exceeds the Approved Budget and Business Plan unless required for an Emergency.

(p) Any lease or disposal by the Venture of any operational assets or property not being undertaken in the ordinary course of business that exceeds the amount of $5,000,000 individually or $10,000,000 in aggregate per Fiscal Year.

(q) Procuring technology, big data and automation, which exceeds $200,000 individually or $500,000 in aggregate per Fiscal Year.

(r) Execution, amendment or termination of any Material Contract.

(s) Any creation, incurrence or assumption of any encumbrance over any assets or property of the Venture or any subsidiary of the Venture, outside the ordinary course of business, and any guarantee by the Venture or by any subsidiary of the Venture of any obligations of any person or provision of any credit support to the obligations of any person.

(t) Any suspension, cessation or abandonment of any day to day operational or non-material activity of the Venture or any subsidiary of the Venture, exceeding $500,000 individually or $1,000,000 in aggregate per Fiscal Year unless required for an Emergency as determined in good faith by the GM.

(u) The incurring of any capital expenditure and operating expenditure (including obligations under hire-purchase and leasing arrangements) of any item or project which is not provided for in an Approved Budget and/or an approved Business Plan, and exceeding $500,000 individually or $1,000,000 in aggregate in Fiscal Year unless required for an Emergency.

(v) Approval of the Venture's initial corporate organization structure, work rules and internal policies and regulations in relation to human resources management and any change from current practice or any change above market practice, except any change in compliance with the applicable laws.

(w) Any approval or modification of the compensation package of the GM, any approval or material modification of the compensation packages of the asset management, and any approval or material modification of the broad parameters of the framework for compensation for the Board and other employees.

(x) Any approval of budget for annual compensation increase of all employees.

(y) Any entry into, termination, amendment or otherwise of any arrangement or contract with the GM and the asset management, including as to remuneration or other benefits under such arrangement or contract shall be presented to the Board for acknowledgment, however BPPUS shall have ultimate approval over the entry, amendment and termination of any contract with the GM.

(z) Any adoption for all employees of any equity compensation plan, any bonus or profit-sharing scheme, incentive scheme, or any stocks, warrants or other convertible securities by the Venture, and any modification thereof.

(aa) Approval of the GM's work plan and the key performance indicators (KPIs) for the GM and the management, and appraisal of the GM and the management against the KPIs.

(bb) The making of any loan or advance to facilitate any hiring of or to incentivize or provide assistance to any employee.

(cc) Establishing or amending any sub-committee of the Board, including the audit committee and the compensation committee.

(dd) Any appointment or removal of the auditors.

(ee) Any adoption or material change to the accounting principles and/or the financial reporting standards.

(ff) Any change of the Fiscal Year.

(gg) Making any tax distribution, or any determination with respect to tax withholding matters or any tax filing, except for as required in accordance with applicable laws, exceeds $2,000,000 individually or $10,000,000 in aggregate per Fiscal Year.

(hh) Debt write-off in accordance with accounting standards (e.g. bad debt from counter parties due to bankruptcy in normal course of business).

(ii) Provision of impairment of assets (project in progress, fixed asset, other assets).

(jj) Provision of impairment of doubtful account.

(kk) The decision that additional funding from the Venturers shall be required, including the determination of the forms of funding required unless required for an Emergency.

(ll) The making of any loan or advance by the Venture or to any subsidiary of the Venture which exceeds value of $1,000,000 total outstanding during any Fiscal Year; or not in the ordinary course of business; or to be secured by any collateral of the Venture, any subsidiary of the Venture.

(mm) Any change or the creation or issue or the repurchase of any Units or of any other security of the Venture, or the grant of any option or rights to subscribe for or to convert any instrument into such securities.

(nn) Any declaration or payment of any dividend or distribution to the Venturers in any Fiscal Year.

(oo) Any amendment to or deviation from the dividend policy of the Venture or any subsidiary of the Venture.

(pp) Resolving any disputes, controversies or proceedings in relation to any tax matters with the IRS or entering into any binding agreement or settlement with the IRS on any material item in dispute with respect to any of the Venture's or any subsidiary of the Venture's federal income tax return.

(qq) Entering into by the Venture of any compromise or settlement in connection with any action, litigation, suit, arbitration or other proceedings, or any application by the Venture for an interim injunction or other application or action (including interim defense) in excess of $1,500,000.

(rr) Approval of policy, plan and target, and product program related to hedging.

(ss) Approval of any insurance program for the Venture or its subsidiaries.

ARTICLE 9. TRANSFERS OF VENTURE INTERESTS

9.1 Transfers. Subject to the provisions of Section 9.2, each Venturer shall be permitted to transfer or encumber such Venturer's interest in the Venture without the prior written approval of the other Venturer or the Board; provided, however, that no Venturer shall transfer all or any of its Ownership Percentage in the Venture (A) if such transfer would subject the Venture to the reporting requirements under the U.S. federal securities laws, (B) if such transfer would cause the Venture to lose its status as a partnership for federal income tax purposes or cause the Venture to be classified as a "publicly traded partnership" within the meaning of Code Section 7704, (C) if such transfer would violate, give rise to a default under or cause any payment to become due under, any credit agreement, guaranty, or similar credit document or any other material contract to which the Venture or any Affiliate is bound, or (D) at any time prior to the repayment by the Venture of all loans and other amounts outstanding under the Venturer Loan Agreement and the termination of the Venturer Loan Agreement.

9.2 Public Offering. Notwithstanding any provision of this Article 9, any Venturer may undertake a public offer of such Venturer without the approval of the Board or of the other Venturer, and such offering shall be free of any and all rights of the Board or of any other Venturers including, without limitation, any tag along rights.

ARTICLE 10. DEFAULTS; TERMINATION

10.1 Default. The occurrence of any of the events set forth below shall constitute an " Event of Default" on the part of BKV or BPPUS, as applicable.

(a) violation by or on behalf of BKV or BPPUS, as applicable, of the transfer restrictions set forth in Article 9;

(b) initiation by BKV or BPPUS, as applicable, of proceedings of any nature under the United States Bankruptcy Code, or any similar state or federal law for the relief of debtors;

(c) a general assignment by BKV or BPPUS, as applicable, for the benefit of creditors;

(d) the initiation against BKV or BPPUS, as applicable, of a proceeding under any section or chapter of the federal Bankruptcy Code, or any similar federal or state law for the relief of debtors, which proceeding is not dismissed or discharged within a period of sixty (60) days after the filing thereof;

(e) admission by BKV or BPPUS, as applicable, in writing of its inability to pay its debts as they mature or to perform its obligations under this Agreement;

(f) attachment or execution or other judicial seizure of all or any substantial part of BKV's or BPPUS's, as applicable, interest in the

Venture, or any part thereof, which remains undismissed or undischarged for a period of sixty (60) days after levy thereof.

10.2 Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, the non-defaulting Venturer shall be entitled to (i) sell the assets of the Venture and dissolve the Venture on reasonable terms deemed acceptable to the Board (ii) obtain specific performance of the non-defaulting Venturer's obligations under this Agreement and/or (iii) exercise any other right or remedy provided in law or in equity.

10.3 Dissolution. The Venture shall be dissolved upon the occurrence of any of the following events:

(a) election by the Board to dissolve the Venture following the occurrence of an Event of Default; or

(b) unanimous written consent by the Venturers to dissolve the Venture.

Dissolution of the Venture shall be effective on the day on which the event occurs giving rise to the dissolution, but the Venture shall not terminate until the assets of the Venture have been distributed as provided herein and a certificate of cancellation of the Venture has been filed with the Secretary of State of Delaware.

10.4 Application of Assets. In the event of dissolution, the Venture shall conduct only such activities as are necessary to wind up its affairs, including a sale of the assets of the Venture in an orderly manner, and the assets of the Venture shall be applied in the manner and in the priority set forth in Section 6.2.

ARTICLE 11. MISCELLANEOUS

11.1 Notices. Any and all notices, consents, approvals and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing. Any and all notices, demands, consents, approvals, offers, elections and other communications required or permitted under this Agreement (collectively, "Notices") shall be deemed to have been properly given (i) upon delivery, if delivered in hand, (ii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service with all freight charges prepaid, (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested or (iv) the date sent by electronic mail (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; provided, however, any notice of breach or default hereunder, or offer or acceptance with respect to the purchase or sale of the Property, may not be given by electronic mail and a copy of any notice delivered by electronic mail must simultaneously be sent by one of the delivery methods set forth in clauses (i), (ii) or (iii) above. Whenever under this Agreement a Notice is either received on a day which is not a Business Day or is required to be delivered on or before a specific day which is not a Business Day, the day of receipt or required delivery shall automatically be extended to the next Business Day. All such notices and other communications shall be addressed to the Venturers at their respective addresses set forth below or at such other addresses as any of them may from time to time designate by notice to the other Venturers.

Notices to BPPUS shall be addressed to:

Banpu Power US Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Mr. Pual Didsayabutra
Email: [***]

With copies via email to:

Attention: Mr, Dechaphong Yuwaprecha and Mr. Issara Niropas
Email: [***], [***]

Notices to BKV shall be addressed to:

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Mr. Chris Kalnin
Email: [***]

With copies to:

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
Attention: Ms. Lindsay Larrick
Email: [***]

11.2 Successors and Assigns. The agreements contained herein shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective parties hereto.

11.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware. In the event of any conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provision of this Agreement shall control.

11.4 Severability. If for any reason any provision of this Agreement is determined to be invalid, or unenforceable in any circumstance, such invalidity or unenforceability shall not impair the effectiveness of the other provisions in this Agreement or, to the extent permissible, the effectiveness of such provision in other circumstances.

11.5 Entire Agreement. This Agreement, and the schedules and exhibits attached thereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior understandings, agreements or representations between the parties pertaining to the subject matter hereof, whether oral or written.

11.6 Titles. Titles of provisions of this Agreement are for descriptive purposes only and shall not control or alter the meanings of this Agreement as set forth in the text.

11.7 Further Assurances. The Venturers shall execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purposes of this Agreement.

11.8 Consent to Jurisdiction. The Venturers hereby consent to the personal jurisdiction of the federal and state courts of the State of Delaware and agree that service of process may be (but need not be) made upon them by certified mail, return receipt requested, or by any manner permitted by law. The Venturers agree not to assert in any action brought in any such court that such action is brought in an inconvenient forum, or otherwise make any objection to venue or jurisdiction.

11.9 Amendments. Except as otherwise provided in this Agreement, no amendment or modification of this Agreement shall be effective unless reflected in a document executed and delivered by all of the Venturers.

11.10 Waiver of Jury Trial. Each of the parties hereto waives trial by jury in any litigation, suit or proceeding between them in any court with respect to, in connection with or arising out of this Agreement, or the validity, interpretation or enforcement thereof, or dealings with each other as Venturers of the Venture.

11.11 Prevailing Party. In any action or proceeding arising in connection with this Agreement, the costs and reasonable attorneys' fees of the prevailing party shall be paid by the other party.

11.12 Confidentiality. No party hereto shall issue any press release or otherwise make any public announcement naming the other party or any of its direct or indirect beneficial owners, advisors or other agents, or indicating any of their involvement with the Venture, without the consent of the other party. Each party hereto agrees to maintain the confidentiality of the terms and conditions of this Agreement and to maintain the confidentiality of (i) any information provided by one party to the other, and (ii) all financial information, Budgets, Business Plans, information contained in any books, records, computer discs and similar materials containing Venture information, invoices and other documents received or maintained by the Venture pursuant to this Agreement, other than information that is available from public sources (collectively, the "Confidential Information"). Notwithstanding the foregoing, each party shall be entitled to share such Confidential Information (a) to current and potential lenders and direct and indirect beneficial owners of the Venture, (b) if required by law (it being specifically understood and agreed that anything set forth in a registration statement or any other document filed pursuant to law will be deemed required by law), and (c) to its investors, attorneys and advisors who agree to maintain a similar confidence. Notwithstanding anything else in this Agreement and any other agreements among the parties, any party to this Agreement (and each employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Venture and any other transactions contemplated by this Agreement and any other agreements between the parties and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure.

11.13 Counterparts. This Agreement may be executed in any number of counterparts, including by electronic transmission, with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

11.14 Independent Legal Advice. Each of the Venturers acknowledge that it has read and understands this Agreement, has consulted with legal counsel with respect to the terms and conditions hereof, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on its own judgment with the advice of legal counsel and other advisers as it has deemed necessary or advisable.

11.15 Equitable Relief. Each Venturer acknowledges and agrees that any breach of this Agreement by such Venturer or the Venture or any transferee or any legal representative thereof may cause irreparable injury to the Venture or the other Venturers for which monetary damages (or other remedy at law) are inadequate in view of (a) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Venturer or the Venture to comply with such provisions and (b) the uniqueness of the Venture, the Venture's and each other Venturer's business. Each Venturer and the Venture consents to the issuance of an injunction or other enforcement of other equitable remedies against such Venturer or the Venture at the suit of an aggrieved party without the posting of any bond or other security, to compel specific performance of all the terms of this Agreement, and waives any defenses

thereto, including the defenses of: (i) failure of consideration, (ii) breach of any other provision of this Agreement and (iii) availability of relief in damages.

11.16 Creditors. Notwithstanding anything to the contrary, none of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Venture (including any lender under the Venturer Loan Agreement, in its capacity as such) or its subsidiaries or any creditor of any Venturer, and for the avoidance of doubt, no Venturer, Board member or Affiliates Representatives shall be deemed to have any duties of any nature whatsoever to any such creditor by virtue of this Agreement or any interest it may have in ownership interests of the Venture or its subsidiaries.

[*Signatures appear on following page*.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first set forth above.

BANPU POWER US CORPORATION,

a Delaware corporation

By: /s/ Kirana Limpaphayom
Name: Kirana Limpaphayom
Title: Director

BKV CORPORATION,

a Delaware corporation

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: CEO

Schedule 2.6
Venturers

	Ownership Percentage
BKV Corporation 1200 17th Street, Suite 2100, Denver, CO 80202	50%
Banpu Power US Corporation c/o Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, Delaware 19808	50%

Schedule 2.7

1. Organization and Ownership. BKV is a corporation validly existing and in good standing under the laws of the State of Delaware, with full power and authority and legal right to enter into and perform its obligations under this Agreement and to carry on its business in the manner and in the locations in which such business has been and is now being conducted by it. BPPUS is a corporation validly existing and in good standing under the laws of the State of Delaware, with full power and authority and legal right to enter into and perform its obligation under this Agreement and to carry on its business in the manner and in the locations in which such business has been and is now being conducted by BPPUS.

2. Due Authorization and Execution. No consent, approval or waiver of any other third party is required for the execution and delivery by BKV and BPPUS of this Agreement. This Agreement is the legal, valid and binding obligation of the BKV and BPPUS, is enforceable against BKV and BPPUS in accordance with its terms, does not violate or conflict with and will not constitute a default under any provision of any agreement, organizational document, law or judicial or other governmental order to which the BKV or BPPUS are a party.

Schedule 4.2

Reporting Requirements

1. **FISCAL YEAR AND FINANCIAL STATEMENT PREPARATION BASIS**

1.1 Unless and until the Board shall otherwise determine in accordance with this Agreement, the following particulars shall remain unchanged:

1.1.1 the Venture's Fiscal Year shall end on 31 December in each year; and

1.1.2 the Venture's shall prepare and make available the International Financial Reporting Standard ("IFRS") consolidated balance sheets and profit and loss accounts on a consistent basis for the purpose of consolidation of the Venture and its subsidiaries at the Banpu Power group level and audited by appointed external auditor.

1.1.3 the Venture's shall prepare and make available the U.S. GAAP standards ("GAAP") consolidated balance sheets and profit and loss accounts on a consistent basis for the purpose of consolidation of the Venture and its subsidiaries at the BKV group level and audited by appointed external auditor.

2. **FINANCE FOR THE VENTURE**

The Venturers agree that the finance for the Business of the Venture and its subsidiaries (including the funding of approved Business Plan and Approved Budgets) shall be provided by equity contributions from the Venturers, Venturers' loans and/or loans and other credit facilities from licensed banks, financial institutions and other parties on such terms as the Board may agree in accordance with this Agreement.

3. **DIVIDEND POLICY**

Subject to any applicable laws and regulations, the Venturers hereby agree that the Venture shall declare and pay dividend amounting to at least 50% from its Net Income of the Venture for the six months ended June ("interim dividend") and for the year ended December. The payment of interim dividend shall be made within September, while the payment of the annual dividend shall be made within May of the following year following the date the dividend is declared.

No dividend shall be payable except out of profits and shall not carry interest as against the Venture.

All dividends shall be dispatched simultaneously to the Venturers entitled to the dividend. Any dividend payable may be paid by check sent through the mail or electronic funds transfer to an account with a bank nominated by the Venturer.

Except as otherwise provided by statute, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of for the benefits of the Venture until claimed.

4. **THE INTERNATIONAL FINANCIAL REPORTING STANDARD ("IFRS") REPORTING SCHEDULE**

4.1 For so long as this Agreement is in effect, the Venture shall, and the Venturers shall exercise their rights as members in relation to the Venture (including but not limited to directing their respective nominees, if any, on the Board) so as to ensure that the Venture will, deliver to each of the Venturers:

4.1.1 on or before 15 September in each Fiscal Year, a detailed first draft of the Approved Budget and Business Plan for the Venture and its subsidiaries (including the Financial Projection and estimated major items of revenue and capital expenditure) for the following Fiscal Year, broken down on a monthly basis, and an accompanying cash-flow forecast together with a balance sheet showing the projected position of the Venture and its subsidiaries as at the end of the following Fiscal Year;

4.1.2 on or before 15 October in each Fiscal Year, a detailed final draft of the Approved Budget and Business Plan for the Venture and its subsidiaries (including the Financial Projection and estimated major items of revenue and capital expenditure) for the following Fiscal Year, broken down on a monthly basis, and an accompanying cash-flow forecast together with a balance sheet showing the projected position of the Venture and its subsidiaries as at the end of the following Fiscal Year;

4.1.3 following twelve (12) months after execution of this Agreement, within 10 days after the end of each calendar month in a Fiscal Year, unaudited management accounts in accordance with IFRS. Such accounts shall include a detailed profit and loss account, balance sheet, cash flow analysis, an analysis of profit and loss account against the corresponding budget, a trend analysis, financial outlook for the remaining months of the year, and an analysis of accounts receivable aging;

4.1.4 within twenty (25) days after the end of each of the fiscal quarters in a Fiscal Year (or when furnished to the Board, if earlier), the final version (after external auditor review with adjustment transaction) of consolidated balance sheet of the Venture and its subsidiaries as at the end of each such period and the related consolidated statements of income and cash flows of the Venture and its subsidiaries for such quarterly period and for the elapsed period in such Fiscal Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the comparable periods of the preceding Fiscal Year. All such financial statements shall be in accordance with the agreed upon audit plan for the Venture.

4.1.5 statutory or audit report (signed by external audit) as available, within 90 days after the end of each Fiscal Year (or when furnished to the Board, if earlier) a copy of the consolidated balance sheet of the Venture and its subsidiaries as at the end of each Fiscal Year and the related consolidated statements of income, members' equity and cash flows of the Venture and its subsidiaries for each Fiscal Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Fiscal Year accompanied by an audit opinion.

Schedule 4.4
Approved Budget for year 2021 and 2022

Exhibit 10.26

BKV CORPORATION
NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Non-employee members of the board of directors (the "**Board**") of BKV Corporation (the "**Company**") shall receive compensation as set forth in this Director Compensation Program (this "**Program**"). The compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board to each member of the Board who is not an employee of the Company (each, a "**Non-Employee Director**"). Each Non-Employee Director may waive all or a portion of the compensation described in this Program and such waiver may be subsequently rescinded in writing; provided, however, that following any rescindment, no compensation shall be paid in respect of the period during which such Non-Employee Directors's compensation was waived. Each member of the Board who is also an employee of the Company shall not receive additional compensation for service as a member of the Board and shall not be eligible to participate in this Program.

This Program shall become effective on September 1, 2022 (the "**Effective Date**") and will remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time, without advance notice, in its sole discretion.

1. Cash Compensation.

a. Board Member Annual Retainers. Each Non-Employee Director will receive an annual retainer of $75,000 (the "**Director Retainer**"). If a Non-Employee Director is also serving as the Chair of the Board as contemplated by the Company's Certificate of Incorporation, such Non-Employee Director will receive an additional annual retainer of $62,500 (which, together with the Director Retainer would be an aggregate annual retainer of $137,500) as compensation for the additional responsibilities associated with serving as the Chair of the Board (together with the Director Retainer, the "**Board Member Retainers**").

b. Committee Member Annual Retainers. Each Non-Employee Director who serves in one of the following roles will be paid the additional cash retainer set forth below (together with the Board Member Retainers, the "**Retainers**").

Committee Role	**Amount**
Chair of Audit Committee	$ 20,000
Chair of Compensation Committee	$ 15,000
Chair of Governance Committee	$ 15,000
Member of Audit Committee (other than the Chair)	$ 10,000
Member of Compensation Committee (other than the Chair)	$ 5,000
Member of Governance Committee Member (other than the Chair)	$ 5,000

c. Payment of Retainers. The Retainers shall be earned on a quarterly basis based on a calendar quarter and shall be paid in cash by the Company in arrears not later than the fifteenth (15th) day following the end of the calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, Chair of the Board or such other position set forth in Section 1b, for an entire calendar quarter, the Retainer paid to such Non-Employee Director will be prorated for the portion of the calendar quarter actually served as a Non-Employee Director, Chair of the Board, or such other position set forth in Section 1b.

2. Equity Compensation.

a. General. Non-Employee Directors will be granted awards of Restricted Stock Units (as defined in the Company's 2022 Equity and Incentive Compensation Plan or any other applicable Company equity incentive plan then-maintained by the Company, in each case, which is approved, adopted and becomes effective after the date this Program becomes effective (the "**Equity Plan**")) described below (each, a "**Restricted Stock Unit Award**"), subject to the approval, adoption and effectiveness of the Equity Plan. The Restricted Stock Unit Awards will be granted under and subject to the terms of the Equity Plan and award agreements in substantially the form approved by the Board. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all Restricted Stock Unit Awards under this Program are subject in all respects to the terms of the Equity Plan and the award agreement pursuant to which it was granted.

b. Annual Awards. Non-Employee Directors who are re-elected to serve, or will continue to serve, as a Non-Employee Director immediately following any annual meeting of the Company's stockholders will, subject to the approval, adoption and effectiveness of the Equity Plan, automatically be granted, on the date of the Company's annual stockholder meeting, that number of Restricted Stock Units calculated by dividing (i)(y) $140,000 for Non-Employee Directors other than the Chair of the Board or (z) $202,500 for each Non-Employee Director who is the Chair of the Board, by (ii) the closing price of a share of the Company's common stock as of the date of such annual meeting of the Company's stockholders and rounding down to the nearest whole number (the "**Annual RSUs**"). The Annual RSUs will vest in accordance with and subject to the terms of the Equity Plan and the award agreement pursuant to which it was granted. If an Equity Plan is not effective as of an annual stockholder meeting occurring after the Effective Date, the dollar value that factors into the Annual RSUs that would have otherwise been granted at such annual meeting shall, instead, be considered part of the Retainers and shall be payable to the Non-Employee Directors together with the Retainers, as set forth in Section 1c.

3. Expense Reimbursements. The Company will reimburse each Non-Employee Director for all reasonable, documented, out-of-pocket travel and other business expenses incurred by such Non-Employee Director in the performance of his or her duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as in effect from time to time.

Exhibit 10.27

Execution Version

PRIVATE AND CONFIDENTIAL

Our Ref: [ ]
Date: December 22, 2021

To: BKV Corporation
1200 17th Street, Suite 2100
Denver, Colorado 80202

Attn: Christopher Kalnin

Re: Uncommitted Specific Advance Facility

Ladies and Gentlemen:

We, Oversea-Chinese Banking Corporation Limited, Los Angeles Agency (together with our successors and assigns, " we" or the "Bank") are pleased to make available the uncommitted Specific Advance Facility as set out below (the "Facility") to BKV Corporation, a Delaware corporation (the " Borrower") subject to the following terms and conditions of: (i) this Facility Letter and each other Facility Document (as defined herein), (ii) the specific terms and conditions of each Notice of Drawing (as defined herein) or each Letter of Credit Request (as defined herein), as applicable, and (iii) the Bank's Standard Terms and Conditions Governing Banking Facilities (the "Standard Terms"), attached hereto and made a part hereof as **Exhibit B**. The Facility will be guaranteed by the subsidiaries of the Borrower as more particularly described herein, including, without limitation BKV Barnett LLC, BKV Operating, LLC, and BKV Chelsea, LLC, each, a Delaware limited liability company (each, a "Guarantor", and each Guarantor, together with the Borrower, a " Credit Party"). Certain terms used in this Facility Letter that are not defined elsewhere in this Facility Letter are defined in the Standard Terms. In the event of any inconsistency or conflict between the terms of this Facility Letter and the Standard Terms, the terms of this Facility Letter shall govern and control.

The Facility is made available hereunder on an uncommitted, discretionary, recallable on demand basis. The Bank has no obligation to issue, grant, continue, extend, or renew any Advance, letter of credit, or any other Utilization of the Facility. Each request by Borrower for a Utilization shall be reviewed by the Bank on a case by case basis and the decision to grant or continue any such Utilization shall be made by the Bank in its absolute and sole discretion and irrespective of whether or not the Credit Parties are in compliance with any of the terms of this Facility Letter or the other Facility Documents. The Bank also reserves the right to summarily refuse any request for a Utilization without any review as contemplated by the preceding sentence. As a "demand" facility, the Bank may demand repayment (or cash collateralization, as applicable, in form, substance and amount satisfactory to the Bank) of any outstanding Obligations at any time. By their execution and delivery hereof, the Credit Parties acknowledge and understand the foregoing.

1. FACILITY LIMIT

Notwithstanding the respective Facility limit set out in this Facility Letter, the Bank may, at its sole discretion, in consideration of a request of the Borrower from time to time, increase the Facility limit for a specified period of time subject to such conditions as the Bank may stipulate. Any such increase in the limits, and the entire Facility, may be cancelled immediately upon notice to Borrower by the Bank. The Bank may also, in its sole discretion, impose, decrease or cancel any Facility or sublimit or incorporate additional sublimits.

FACILITY	**Limit**
Specific Advance Facility ("SAF")	**Up to $55 million**

The maximum aggregate principal sum outstanding together with the aggregate stated amount of any letters of credit issued under this Facility at any one time shall not exceed $55,000,000 (FIFTY FIVE MILLION DOLLARS) (the "Maximum Amount").

The Bank, in its discretion, may agree to issue standby letters of credit (each, an " SBLC") from time to time for the account of the Borrower. The aggregate stated amount of all outstanding letters of credit issued under the Facility shall not exceed $25,000,000 (TWENTY FIVE MILLION DOLLARS) (the "SBLC Sublimit") unless otherwise agreed by the Bank in its sole discretion. Each issuance of an SBLC under the Facility shall reduce the aggregate amount available for Advances, other SBLCs, and any other available Utilizations on a dollar for dollar basis.

All Advances and SBLCs shall be in United States Dollars and shall be repaid in United States Dollars. SBLCs shall also be subject to the terms of a Letter of Credit Reimbursement Agreement between the Borrower and the Bank, dated as of the date hereof (as it may be amended, restated, supplement, modified or replaced, the "Letter of Credit Reimbursement Agreement "), a letter of credit application, and any other agreements, documents, or instruments required by the Bank as a condition to the issuance of such SBLC, or as a condition to any amendment, extension, or renewal of any SBLC. All references to "$" or "DOLLARS" hereunder shall refer to United States Dollars.

2. PURPOSE

The proceeds of Advances and any drawings of SBLCs shall be used to finance Borrower's working capital requirements in the ordinary course of its

business as presently conducted. Notwithstanding anything to the contrary in the Standard Terms, Utilizations shall only consist of Advances and SBLCs.

3. PRICING

Each Advance shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Applicable Rate determined for such Interest Period, as set forth in Section 5.3(d) and the Standard Terms.

Each SBLC shall be subject to the LC Fee as described in Section 5.3(g) and the Standard Terms, and any other fees, charges and expenses set forth in the Letter of Credit Reimbursement Agreement.

Please refer to the Standard Terms, particularly Sections 2 and 3 thereof. As more particularly provided therein, the Bank reserves the right to change the Applicable Rate and the LC Fee in its sole discretion to any other interest rate plus applicable margin (or, for SBLCs, any other fee) it elects, including a rate or fee based on its Cost of Funds and you shall be required to make future interest and fee payments (and any other Obligations calculated according to the Applicable Rate) in accordance with the new Applicable Rate or new SBLC fee. With respect to any Utilizations where the Applicable Rate is calculated according to the LIBO Rate, the Standard Terms provide for such Applicable Rate to transition to a SOFR based rate under the circumstances described therein. Such provisions shall not, however, limit, waive, or restrict the Bank's overall discretion to change any Applicable Rate, which discretion the Bank reserves notwithstanding Sections 2 and 3 of the Standard Terms. The Bank may give prior written notice to the Borrower of any change in the Applicable Rate, but the failure of the Bank to give any such prior written notice shall not relieve the Borrower of its obligation to pay the amount due and owing to the Bank on account of any change in such Applicable Rate or otherwise prejudice, waive, or limit the Bank's rights or remedies in any respect.

4. FACILITY DOCUMENTS

4.1 The Facility, all Utilizations, and all other Obligations of the Credit Parties arising hereunder will be subject to the terms of the following documents in form and substance satisfactory to the Bank (each such document, a "Facility Document" and collectively, the "Facility Documents"):

(i) This Facility Letter;
(ii) Demand Promissory Note;
(iii) Letter of Credit Reimbursement Agreement;
(iv) Guaranty in favor of the Bank from the Guarantors;
(v) Each Notice of Drawing for each Advance or a Notice of Letter of Credit Request, each in the form of **Exhibit A-1** or **Exhibit A-2**, as applicable; and
(vi) Such other documentation as the Bank may request from time to time.

Above documentation and any other documentation, including any amendments, modifications, or restatements of the same, requested by the Bank from time to time shall be in form and substance satisfactory to the Bank and any Utilizations shall be subject to the terms of such documentation.

5. SAF AVAILABILITY/DRAWDOWN

5.1 Subject to the availability of funds to the Bank, Advances under the SAF will be available for drawdown by the Borrower, and the issuance of SBLCs will be available, from time to time on a revolving basis provided always that at any one time the aggregate outstanding principal amount of the Advances together with the undrawn aggregate stated amount of any SBLCs shall not exceed the Maximum Amount.

5.2 Each Advance shall be repaid in full on the earlier of sixty days after the date of such Advance or the Bank's written demand. Draws on SBLCs shall be payable in full on the earlier of Bank's written demand or as required under the Letter of Credit Reimbursement Agreement. Please be further advised that the Facility is subject to an annual renewal by the Bank on June 30 of each year (or if such day is not a Business Day, then on the next Business Day thereafter). In the event the Facility is not renewed as of such date (the "Renewal Determination Date"), the Bank shall terminate the Facility and demand repayment of all Obligations (and cash collateralization of any outstanding SBLCs in form, substance and amount satisfactory to the Bank) on the next Business Day following the Bank's decision not to renew the Facility. Failure of Bank to delay its annual renewal decision to any date after the Renewal Determination Date of any year, or to fail to deliver notice of termination and a demand for repayment and/or cash collateralization on the day immediately following any determination not to renew the Facility shall not prejudice or waive any rights or remedies of the Bank to terminate the Facility, demand repayment or cash collateral, or exercise any right or remedy. The Bank may elect not to renew or continue the Facility for any or no reason, in its sole discretion, whether or not an Event of Default has occurred or continues.

5.3 Subject to the Bank's absolute discretion to otherwise permit:

(a) Each Advance shall be of an amount of not less than $1,000,000 and in integral multiples of $1,000,000.

(b) The stated amount of each SBLC shall be an amount of not less than $1,000,000 and in integral multiples of $1,000,000. The aggregate outstanding undrawn stated amount of all SBLCs shall not exceed the SBLC Sublimit at any time. In the event that the aggregate outstanding undrawn stated amount, at any time, exceeds the SBLC Sublimit, the Bank may require the Borrower to cash collateralize the SBLCs, in form, substance and amount satisfactory to the Bank. If the Borrower does not timely comply with any cash collateral request, the Bank may, in its discretion, cause an Advance to be made under the Facility and the Bank may keep the proceeds of such Advance as cash collateral. Each SBLC issued (including any that are amended, extended, renewed or increased) after the date hereof shall terminate no later than 12 months after the date of issuance; *provided*, *however*, that if the letter of credit issued by the Bank in favor of Enterprise Texas Pipeline, LLC in the original stated amount of $20,640,000, is ever (in the sole discretion of the Bank and subject to the terms and conditions of the Facility Documents), deemed issued under this Facility or replaced by an SBLC issued under this Facility, the maximum tenor of such letter of credit or replacement allow for an expiry date of 31 August 2024.

(c) Each Interest Period shall be 1 or 2 months, subject to the availability of such Interest Period, as notified to the Bank in the Borrower's Notice of Drawing relating thereto or any continuation notice sent pursuant to Section 5.3(f) hereof. The Borrower shall select such Interest Periods as which shall enable the Borrower to comply with the Borrower's obligations under the Facility Documents. If the Borrower fails to select an Interest Period in the Notice of Drawing for an Advance, and the Bank elects to accept such Notice of Drawing in its sole discretion, the Interest Period for such Advance shall be one month.

(d) In order to request an Advance, Borrower shall send a Notice of Drawing, substantially in the form attached hereto as Exhibit A-1 to the Bank not later than 11:00 a.m., Los Angeles time, on the fifth Business Day prior to the intended date of Advance, and the other conditions precedent set forth in Section 8 hereof shall be satisfied as determined by the Bank in its sole discretion. The intended date of an Advance must be a Business Day. Each Notice of Drawing shall be irrevocable and binding on Borrower.

(e) In order to request the issuance, amendment, renewal or extension of an SBLC, Borrower shall send an SBLC Issuance Request, substantially in the form attached hereto as Exhibit A-2 to the Bank not later than 11:00 a.m., Los Angeles time, on the fifth Business Day prior to the intended date of such SBLC issuance, amendment, or extension, and the other conditions precedent set forth in Section 8 hereof shall be satisfied as determined by the Bank in its sole discretion. The intended issuance, amendment or extension date of an SBLC must be a Business Day. Each SBLC Issuance Request shall be irrevocable and binding on Borrower.

(f) The Borrower shall pay all accrued interest on each Advance at the Applicable Rate on the applicable Interest Payment Date for such Advance. The Applicable Rate shall be the LIBO Rate plus a margin of 2.00%, subject to the Bank's right to change the Applicable Rate pursuant to Section 2(a) of the Standard Terms. "Interest Payment Date" means (i) the last day of each Interest Period, (ii) any other date on which the Bank demands repayment of outstanding, accrued interest, and (iii) the Renewal Determination Date (if the Bank elects not to renew the Facility).

(g) Borrower shall pay a fee with respect to each SBLC equal to 1.50% per annum of the outstanding stated amount of such SBLC (the "LC Fee"). Each LC Fee will be payable (i) at issuance of such SBLC based on the stated amount of the SBLC on the day of issuance for the calendar quarter in which such SBLC is issued, and (ii) thereafter, on the first Business Day of each calendar quarter, in advance, based on the stated amount of the SBLC on the first Business Day of such quarter. If the stated amount of SBLC is increased, the Borrower shall pay a supplemental LC Fee on the date of such increase equal to the pro rata amount of the LC Fee as applied to such increased amount.

(h) The Borrower shall not voluntarily repay or prepay any Advance, in whole or in part, on any day other than the last day of the applicable Interest Period for such Advance and upon giving the Bank at least three (3) Business Days' prior written notice. In the event the Borrower does repay any Advance prior to the applicable Interest Period in a manner not permitted by the preceding sentence, the Borrower shall be liable for any breakage costs and other fees and expenses incurred by the Bank in connection with such repayment, as further provided in the Standard Terms. Any such voluntary prepayment shall be in a minimum amount of $1,000,000, and in integral multiples of $1,000,000 (unless the outstanding Advances and accrued interest are being prepaid in full).

(i) The Borrower may elect to continue any Advance upon the expiration of the then current Interest Period with respect thereto by giving irrevocable notice to, and in form and substance satisfactory to, the Bank, in accordance with the applicable provisions in the definition of the term "Interest Period," of the length of the next Interest Period to be applicable to such Advance; provided that, no Advance may be continued as such at the end of the applicable Interest Period (i) when any Event of Default has occurred and is continuing, (ii) if the Advance has been outstanding for sixty days, or (iii) after the date that is one month prior to the next Renewal Determination Date; and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Advance shall be converted automatically to an Applicable Rate as selected by Bank in its discretion pursuant to Section 2(a) of the Standard Terms on the last day of such then expiring Interest Period.

6. FINANCIAL COVENANTS; FINANCIAL REPORTING; OTHER COVENANTS

6.1 Financial Covenants. The Borrower shall comply with the following financial covenants based on the Borrower's consolidated financial statements at all times.

(a) Tangible Net Worth of not less than $500 million at all times. "Tangible Net Worth" is defined as the sum of the paid-up capital and retained earnings of Borrower less intangible assets.

(b) Leverage Ratio of not more than 2.00 to 1.00. "Leverage Ratio" means, as of any date of determination, the ratio of the consolidated indebtedness of the Borrower, calculated according to GAAP, on such date to the consolidated EBITDA of the Borrower for the most recently completed for consecutive fiscal quarters of the Borrower prior to such date.

(c) Interest Coverage Ratio of not less than 2.00 to 1.00. "Interest Coverage Ratio" means, as of any date of determination, the ratio of the consolidated EBITDA of the Borrower, calculated according to GAAP, for the most recently completed for consecutive fiscal quarters of the Borrower prior to such date, to the consolidated interest expense of the Borrower (including, without limitation, that portion attributable to capital leases in accordance with GAAP and capitalized interest), premium payments, debt discount, fees, charges, and related expenses with respect to all outstanding indebtedness of the Borrower on a consolidated basis including all commissions, discounts, and other fees and charges owed with respect to letters of credit, bank guarantees, and bankers' acceptances, in each case whether or not paid in cash during such period.

6.2 Financial and Management Statements; Covenant Compliance.

(a) The Borrower shall deliver to the Bank the audited annual consolidated financial statements of the Borrower, and of Banpu Public Company Limited (the "Parent"), as soon as available but in any event within 120 days after the end of the fiscal year of each such entity all in reasonable detail and prepared in accordance with GAAP for the Borrower and IFRS for the Parent, each audited and accompanied by a report and unqualified opinion of a certified public accounting firm of recognized standing reasonably acceptable to the Bank, which report and opinion shall be prepared in accordance with GAAP or IFRS, as applicable, and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

(b) The Borrower shall deliver to the Bank quarterly unaudited consolidated financial statements of the Borrower, and of the Parent, within 60 days after the end of the first three fiscal quarters of the Borrower.

(c) Concurrently with the delivery of the quarterly financial statements referred to in clause "b" above, and with the annual financial statement referred to in clause "a" above, a certification from an authorized, knowledgeable officer of the Borrower stating, in form and substance satisfactory to the Bank, that the Borrower is in compliance with the financial covenants set forth in clauses "a" and "b" of Section 6.1 above as of the end of the period covered by such financial statements, that all of the representations and warranties made by the Credit Parties in the Facility Documents are true and correct in all material respects as of the date of such certificate, and that no Event of Default, or any event or circumstance which, with the giving of notice and/or the lapse of time and/or upon your making any necessary certification and/or determination under this Facility Letter might constitute an Event of Default.

7. SANCTIONS

The Borrower is advised that there are specific sanctions and regulations imposed by the U.S. and other Government Authorities against certain countries, entities and individuals. Under these measures, the Bank may be unable to process or engage in transactions that involve a breach of such sanctions, and Governmental Authorities may require disclosure of information. The Bank is not liable for rejecting any presentation of documents that may cause a breach of those sanctions, or for any disclosures of any information as a result of actual or apparent breach of such sanctions. This Section applies notwithstanding any inconsistency with the current edition of the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits. The Credit Partis have made certain representations to the Bank and made certain covenants in favor of the Bank with regard to sanctions and prohibited transactions in the Standard Terms.

8. CONDITIONS PRECEDENT

8.1 Conditions Precedent to the Availability of the Facility.

Application by the Borrower to utilize the Facility will not be considered unless the Borrower has complied with all the conditions of this Facility Letter and such other provisions as the Bank may determine from time to time, and, including without limitation receipt of the following in form and substance acceptable to the Bank:

(a) Duly executed and delivered Facility Documents from all parties thereto containing such terms and conditions as the Bank may in its absolute discretion require duly executed and duly stamped (where applicable) and in registrable form (if applicable);

(b) The last annual financial statement and quarterly financial statements under Section 6.2;

(c) A certificate of each Credit Party, certified by a duly authorized, knowledgeable officer of the applicable Credit Party (an "Authorized Officer"), dated the date hereof, attaching:

(1) Such Credit Party's Certificate of Incorporation (or equivalent) certified by the relevant authority of the jurisdiction of organization of the Credit Party;

(2) Such Credit Party's by-laws, operating agreement, or partnership agreement, as applicable, as in effect on the date hereof;

(3) Resolutions of the governing body of such Credit Party approving each Facility Document to which it is or is to be a party, and of all documents evidencing other necessary corporate, partnership, or limited liability company action;

(4) a certification that the names, titles, and signatures of the officers of the applicable Credit Party, each authorized to sign each Facility Document to which it is or is to be a party and other documents to be delivered hereunder and thereunder are true and correct;

(5) a good standing certificate from the state of each Credit Party's incorporation or formation, as applicable and from each other jurisdiction where such Credit Party should be in good standing under the laws of such jurisdiction, unless failure to be so qualified could not result in a material adverse effect to the Borrower, any other Credit Party, or the Bank; and

(6) attesting to the accuracy of the conditions set forth in the following clause "d".

(d) (i) the representations and warranties of the Credit Parties in any Facility Document to which they are a party, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on the date hereof, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (2) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects; (ii) both before and after giving effect to the closing of the Facility and any Advance made or SBLC issued hereunder on such date, no Event of Default, or any other event which would, with the giving of notice, passing of time, or occurrence of some other event constitute an Event of Default, has occurred and continues; and (iii) no material adverse change in such Credit Party or any of their respective affiliates financial condition, operating environment, management or any other conditions which, in the opinion of the Bank, materially affect any Credit Party's ability to perform its respective obligations under the Facility Documents to which it are a party or effect the enforceability of any of the material provisions of the Facility Documents or any right or remedy of the Bank thereunder or under applicable Law (a "Material Adverse Change").

(e) At least five Business Days prior to the date hereof, Borrower shall deliver a Beneficial Ownership Certification covering the Credit Parties;

(f) Bank shall have received, at least five business days prior to the date hereof, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.

(g) Legal opinion by Baker & Hostetler LLP, as outside counsel to the Bank, under the laws of the State of New York and the state of each Credit Party's incorporation or formation, as applicable.

(h) All other information which the Bank or its counsel reasonably request.

8.2 Conditions Precedent to Each Utilization. Notwithstanding the Bank's discretion to refrain from making any Advances or issuing (or amending or extending) any SBLC, or allowing any other Utilizations, the Borrower shall comply with the following conditions precedent before receiving an Advance, the issuance (amendment or extension) of any SBLC, or any other Utilization:

(i) With respect to: (1) a request for an Advance, the Bank shall have received a Notice of Drawing, and (2) a request for an SBLC, the Bank shall have received a Notice of Letter of Credit Request, each in accordance with Section 5.3(c) hereof;

(ii) the representations and warranties of each Credit Party in any Facility Document to which it is a party, or which are contained in any document furnished at any time under or in connection herewith or therewith, are true and correct in all material respects on the date hereof, except (1) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (2) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects; (ii) both before and after giving effect to the closing of the Facility and any Advance made or SBLC issued (or amended or extended) hereunder on such date, no Event of Default, or any other event which would, with the giving of notice, passing of time, or occurrence of some other event constitute an Event of Default, has occurred and continues; and (iii) no Material Adverse Change has occurred; and

(iii) Borrower shall provide any other documents required by the Bank from time to time and adhere to and abide by all other conditions precedent as the Bank may in its absolute discretion require.

9. GUARANTORS. Each Credit Party acknowledges and agrees that BKV Barnett LLC, BKV Operating LLC, and BKV Chelsea LLC are required to be a Guarantor. Each Credit Party represents and warrants as of the date hereof and as of each other date on which any representations and warranties under the Facility Documents are made, that each of the aforementioned subsidiaries is a Guarantor.

10. ACKNOWLEDGMENT OF UNCOMMITTED, DISCRETIONARY NATURE.

By its execution and delivery of this Facility Letter, each Credit Party acknowledges and agrees that you have reviewed, understand, and accept the terms of this Facility Letter (including the Standard Terms attached hereto as **Exhibit B**) and the other Facility Documents to which it is a party, and have had the opportunity for legal counsel of your choice to review and advise you on such terms. Each Credit Party is aware that the Facility is provided on an uncommitted, discretionary, demand basis, and that, in consequence of such, the Bank may, as provided in the Standard Terms, change the Applicable Rate, the LC Fee, and any applicable margin in its sole discretion including but without limitation on the occurrence of any Benchmark Replacement for any Utilizations based on the LIBO Rate.

The terms and provisions of this Facility Letter and any of the other Facility Documents shall not create any right in any Person other than the Credit Parties and the Bank and no other Person shall have the right to enforce or benefit from the terms hereof or thereof.

The Credit Parties agree that the terms and provisions of this Facility Letter and the other Facility Documents are confidential and may not be disclosed by the Credit Parties to any other Person (except as required by Applicable Law) other than the Parent, and the Credit Party's (and Parent's) accountants, attorneys and other advisors and only in connection with the transactions contemplated by this Facility Letter and on a confidential basis unless specifically approved by the Bank.

We trust that the above terms and conditions are acceptable to the Credit Parties. The Credit Parties shall signify acceptance by having their respective duly authorized signatories to sign and return to the Bank an original counterpart of this Facility Letter.

If you have any queries, please do not hesitate to contact Edwin Chan at (213) 624-1189 x123 or EdwinChan@ocbc.com who shall be pleased to assist you.

We are pleased to be of service to you and look forward to hearing from you in due course.

Yours faithfully,

Oversea-Chinese Banking Corporation Limited, Los Angeles Agency

Name: Charles Ong
Title: General Manager and Head USA

We hereby accept the Facility on the terms and conditions mentioned in this Facility Letter including the Bank's Standard Terms and Conditions Governing Banking Facilities, a copy of which we acknowledge receiving.

BKV CORPORATION

Name: Christopher Kalnin
Title: CEO

BKV BARNETT, LLC

Name: Christopher Kalnin
Title: CEO

BKV OPERATING, LLC

Name: Christopher Kalnin
Title: CEO

BKV CHELSEA, LLC

Name: Christopher Kalnin
Title: CEO

Standard Chartered

Facility Letter (Uncommitted) (United States of America)

February 7, 2022

CONFIDENTIAL

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202

Attn: John Jimenez | Chief Financial Officer

Ladies and Gentlemen,

Standard Chartered Bank (the "**Bank**") is pleased to offer you the Facilities subject to the terms and conditions set out in this facility letter (this " **Facility Letter**"), the Global Master Credit Terms (Uncommitted) (" **GMCT (Uncommitted)**"), the Global Master Trade Terms (" **GMTT**"), the RCS and other relevant documents provided to you and the relevant application forms (the foregoing, collectively, the "**Agreement**").

The Facility Letter will lapse by close of business on the date falling 30 Banking Days after the date of this Facility Letter (or such other date acceptable to the Bank in its absolute discretion) and will have no further effect unless it is countersigned by you and received by the Bank before that time at:

Alex Wang
Standard Chartered Bank
1095 Avenue of the Americas
New York, New York 10036
Email: alexzy.wang@sc.com

Terms not defined in this Facility Letter are defined in the Agreement.

This Facility Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Facility Letter. Any reference to "executed" or "signature" relating to this Facility Letter shall be deemed to include any execution or signing of this Facility Letter made or delivered by electronic mail or other electronic means, each of which shall have the same legal effect, validity or enforceability as a manually executed signature.

for and on behalf of

Standard Chartered Bank

Full name

Young Sok Kim

Title

Director

Date

March 16, 2022

Signature – please ensure signature remains within the box

/s/ Young Sok Kim

Standard Chartered

We accept your offer to make available to us each Facility described in the Agreement and agree to be bound by the terms of the Agreement.

for and on behalf of

BKV Corporation

Full name

Christopher P. Kalnin

Title / Position

CEO

Date

March 11, 2022

Signature – please ensure signature remains within the box

/s/ Christopher P. Kalnin

for and on behalf of

BKV Corporation

Full name

Title / Position

Date

Signature – please ensure signature remains within the box

for and on behalf of

BKV Chafee Corners, LLC

Full name

Christopher P. Kalnin

Title / Position

CEO

Date

March 11, 2022

Signature – please ensure signature remains within the box

/s/ Christopher P. Kalnin

for and on behalf of

BKV Chafee Corners, LLC

Full name

Title / Position

Date

Signature – please ensure signature remains within the box

for and on behalf of

BKV Chelsea, LLC

Full name

Christopher P. Kalnin

Title / Position

for and on behalf of

BKV Chelsea, LLC

Full name

Title / Position

CEO

Date

March 11, 2022

Signature – please ensure signature remains within the box

/s/ Christopher P. Kalnin

Date

Signature – please ensure signature remains within the box

for and on behalf of

BKV Operating, LLC

Full name

Christopher P. Kalnin

Title / **Position**

CEO

Date

March 11, 2022

Signature – please ensure signature remains within the box

/s/ Christopher P. Kalnin

for and on behalf of

BKV Operating, LLC

Full name

Title / **Position**

Date

Signature – please ensure signature remains within the box

for and on behalf of

BKV Barnett, LLC

Full name

Christopher P. Kalnin

Title / **Position**

CEO

Date

March 11, 2022

Signature – please ensure signature remains within the box

/s/ Christopher P. Kalnin

for and on behalf of

BKV Barnett, LLC

Full name

Title / **Position**

Date

Signature – please ensure signature remains within the box

1. Borrower(s)

1.1 The entities listed in column (1) of the table below will be referred to as the "Borrowers" and each a "Borrower".

1.2 Each Borrower will enter or accede to the Agreement in a manner satisfactory to the Bank.

(1)	(2)	(3)
Name of company registration number	**Jurisdiction of incorporation**	**Registered Address**
BKV Corporation (**"Designated Borrower"**)	Delaware	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808
BKV Chaffee Corners, LLC	Delaware	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808
BKV Chelsea, LLC	Delaware	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808
BKV Operating, LLC	Delaware	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808
BKV Barnett, LLC	Delaware	919 N Market St, STE 725, Wilmington, New Castle County, Delaware, 19801

2. Facilities

2.1 General Banking Facilities

(a) Designated Facility Limits and Designated Sub-Limits

In addition to any Designated Facility Limit allocated for a Borrower, the Bank may also offer any Borrower a Facility which has a Designated Sub-Limit. The sum of the utilised portions of all Designated Sub-Limits shall not exceed the relevant Designated Facility Limit. The total amount all Borrowers may draw down under all Facilities shall not exceed the Total Facility Limit.

(1)	(2)	(3)
Type(s) of Facility	**Designated Facility Limit(s)**	**Borrower(s) and Designated Sub-Limit(s), if applicable**
1. Commercial Standby Letters of Credit	USD25,000,000	Designated Borrower
2. Revolving Term Loans	USD15,000,000	Designated Borrower and Borrowers
Total Facility Limits	USD25,000,000.00	

(b) Designated Combined Facility Limits

The total aggregate amount all Borrowers may draw down for each of the combined Facilities specified in Column (1) below in aggregate shall not exceed the corresponding Designated Combined Facility Limit in Column (2) below.

(1)	(2)
Type(s) of Facility	**Designated Combined Facility Limit**
Facility 1 and 2	USD 25,000,000.00

3. Pricing and Conditions

Any reference to a Borrower under this section is a reference to each Borrower of the relevant Facility specified in Clause 2 *(Facilities)* of this Facility Letter.

Type(s) of Facility	**Terms and Conditions**
Commercial Standby Letter of Credit	· Purpose: To issue commercial standby letter of credit · Only available for Designated Borrower · Tenor: 3 years, any single expiration date of any commercial standby letter of credit not to extend beyond August 31, 2024 · USD 2,500 transfer fees · 1.5% per annum flat charge per commercial standby letter of credit · Evergreen Not Allowed · Facility limit is revolving
Revolving Term Loans	• Purpose: For general corporate purposes and/or working capital requirements • Available for all Borrowers • Currency: USD • Interest Rate: The rate of interest shall be the rate to be determined by the Bank and agreed upon by the Borrower at the time of each drawdown for each drawdown amount and/or on the date of changing interest for the relevant loan • Max tenor: 1 year • Interest Period: Subject to the drawdown tenor agreed for the applicable drawdown. • Available interest period selection: 1, 3, 6, 12 months, and applicable interest rate per SCBs calculation after Libor retires • Auto-renewal allowed subject to Bank's annual review and approval • Payment in full at the end of tenor with 2 business days cooling period before Borrower is able to redraw • Multiple drawdowns allowed, subject to a minimum of $1mn for each drawdown

4. Fees

Fee:	As in above Pricing and Conditions

5. Contact Details

5.1 Contact details for the Bank

Name and Title	**Address** **Telephone No.** **Fax No.** **Email**
Alex Wang Relationship Manager Global Subsidiaries	Address: Standard Chartered Bank 1095 Avenue of the Americas New York, New York 10036 Tel: 862-317-7620 Email: alexzy.wang@sc.com

5.2 Contact details for the Designated Borrower

Name and Title	**Address** **Telephone No.** **Fax No.** **Email**
John Jimenez | Chief Financial Officer	Address: 1200 17th Street, Suite 2100 Denver, CO 80202 Telephone No.: 720-375-9680 Cell No.: 336-213-4918 Email: johnjimenez@bkvcorp.com

5.3 Service of Process

The Designated Borrower and each of the Borrowers irrevocably consents to process being served in any action by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, or by an internationally recognized courier service to its address specified in Clause 5.2 above or its registered address, to the attention of John Jimenez, Chief Financial Officer.

The Designated Borrower and each of the Borrowers irrevocably waives, to the fullest extent possible, a claim of error by reason of any such service and agree that said service (i) shall be deemed in every respect effective service of process upon it in any such action and (ii) shall be taken and held to be valid personal service upon and personal delivery to it.

The foregoing provisions shall not limit the Bank's right to serve process in any other manner permitted by law or limit the Bank's right to bring any such action or to obtain execution on any judgment rendered in any such action in any other appropriate jurisdiction or in any other matter.

6. Joint Liability

6.1 Where there is more than one Borrower specified in this Facility Letter (unless otherwise agreed by the Bank and each Borrower), the following shall apply:

(a) Each Borrower is jointly and severally liable with the other Borrowers for all sums payable or owing to the Bank under any Facility (whether incurred by that Borrower or not). Each Borrower further agrees that the Bank is not required to make any reference to the other Borrowers in relation to the utilisation of any Facility by any Borrower.

(b) Each Borrower's obligations and liabilities will not be affected by (i) any time or indulgence granted to or composition with any other Borrower or any other person; (ii) any change, variation or termination of any agreement or arrangement with any other Borrower or any other person; (iii) winding up, dissolution, administration or re-organisation of any Borrower or any change on the status, function, control or ownership of any Borrower; (iv) any release of, or any neglect to obtain, perfect or enforce, any rights or securities against any Borrower or any other person; or (v) any unenforceability or invalidity of any obligations of any Borrower or any other person.

7. Definitions

7.1 In the Agreement, unless the context otherwise requires:

"Compounding the Rate"	means the compounding daily value of the RFR calculated in arrears for the relevant Interest Period (or the Lookback if one applies).

"Compounding RFR Index Rate"	means the percentage change in the relevant RFR index between the first day and the last day of the Lookback.
"Compounding the Balance"	means the daily value of the RFR on the principal balance and accrued but unpaid interest in respect of the relevant Facility and calculated daily for the relevant Interest Period (or the Lookback if one applies).
"Financial Statements"	means for each Obligor other than the Parent, its audited financial statement for its annual financial year.
"Interest Payment Date"	means such interest payment date as may be specified against the applicable Facility in Clause 3 (*Pricing and Conditions*) of this Facility Letter.
"Interest Period"	means such interest period as may be specified against the applicable Facility in Clause 3 (*Pricing and Conditions*) of this Facility Letter.
"Lock-Out"	means the interest rate applicable for each day in the Interest Period falling after the Lock-Out Date shall be fixed at the daily value of the RFR on the Lock-Out Date.
"Lock-Out Date"	means the date falling on the number of RFR Banking Days prior to the Interest Payment Date as stated as Lock-Out in Clause 3 (*Pricing and Conditions*) in respect of the relevant Facility.
"Lookback"	means, in respect of an Interest Period, the period which commences on and includes "x" RFR Banking Days prior to the beginning of the relevant Interest Period and which ends on and includes "x" RFR Banking Days prior to the end date of such Interest Period, where "x" is the number of RFR Banking Days as stated as the Lookback in Clause 3 (*Pricing and Conditions*).
"Observation Shift"	means the applicable rate used for calculating Interest is calculated and weighted by reference to the Lookback rather than the Interest Period.
"Parent"	means Banpu Public Company Limited
"**RFR Banking Day**"	means a day (other than a Saturday or Sunday) on which banks are open for general business in the principal financial centre of the country of the RFR currency.
"RFR IRS Term Rate"	means for (i) any relevant currency and (ii) the applicable corresponding tenor, the market quoted interest rate swap or overnight index swap based on the relevant risk-free reference rate determined by the Bank.
"Simple Interest RFR Rate"	means the daily simple interest value of the RFR calculated in arrears for the relevant Interest Period (or the Lookback if one applies).

8. Additional Conditions

8.1 Additional Requirements
N/A

9. GMCT Country Supplement

9.1 Clauses to be added, deleted or amended in the GMCT (Uncommitted)

Existing definitions in Clause (*Definitions*) of GMCT (Uncommitted) shall be amended as follows, and new definitions which appear below shall be added to Clause (*Definitions*) of GMCT (Uncommitted):

DEFINITIONS

"**Banking Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in New York City.

"**Default Rate**" means 2% per annum higher than the rate of interest applicable to the amount payable which would have been applied to the amount had such amount not become due, or such rate as advised by the Bank to the Borrower from time to time.

"**Jurisdiction**" means the State of New York.

"**Spot Rate**" means at any date the Bank's spot rate of exchange for the purchase of the relevant currency in the New York foreign exchange market at around 11:00 am New York time using the Base Currency for the relevant Facility.

The following clauses shall be added to and form part of Clause (*Representations and warranties*) of the GMCT (Uncommitted):

Margin Regulations. No Borrower is engaged, whether directly or incidentally or as an important part of its activities, in the business of purchasing or carrying "margin stock" (as such term is defined in Regulation T, U or X of the Board of Governors of the Federal Reserve System), or of extending credit to others for such purpose and less than 25% of each Borrower's assets constitutes margin stock. No proceeds of any extension of credit will be used for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any such margin stock.

Investment Company Act. The Borrowers are not, and are not "controlled by", an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Clause (*Provision of other services*) of the GMCT (Uncommitted) shall be deleted in its entirety.

Clause (*Governing law and jurisdiction*) of GMCT (Uncommitted) shall be deleted and replaced with the following :

The Agreement and all non-contractual obligations arising in any way out of or in connection with the Agreement are governed by the laws of the Jurisdiction and each Borrower irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court of the United States of America sitting in New York County and waives to the fullest extent permitted by law any objection or claim that such Borrower has or may have that the venue of that action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim this.

The following Clause shall be added to and form part of Clause (*Governing law and jurisdiction*) of the GMCT (Uncommitted):

Waiver of Trial by Jury

EACH PARTY TO THIS AGREEMENT HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY TO THIS AGREEMENT HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES TO THIS AGREEMENT HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

The following clause shall be added to the GMCT (Uncommitted):

USA PATRIOT Act Notice. Pursuant to the requirements of the USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, the "Act"), the Bank is required to obtain, verify and record information that identifies each Borrower, which information includes such Borrower's name and address and other information that will allow the Bank to identify such Borrower in accordance with the Act.

10. GMTT Country Supplement

10.1 Clauses to be added, deleted or amended in the GMTT
None

Exhibit 10.29

Execution Version

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of November 11, 2022, is entered into among BKV CORPORATION, a Delaware corporation (the "Borrower"), the LENDERS party hereto and BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH, as administrative agent (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, reference is made to that certain Credit Agreement, dated as of June 16, 2022 among the Borrower, the Lenders, and the Administrative Agent (as in effect immediately prior to the execution hereof, the "Existing Credit Agreement", and as further amended, restated, supplemented or otherwise modified from time to time, including by this Amendment, the "Credit Agreement"), pursuant to which the Lenders have made loans to the Borrower;

WHEREAS, the Borrower has requested that the Lenders agree to amend certain provisions of the Existing Credit Agreement and, subject to the terms and conditions set forth in this Amendment, the Lenders have agreed to amend the Existing Credit Agreement as hereinafter set forth;

WHEREAS, pursuant to Section 9.02(b) of the Existing Credit Agreement, the Existing Credit Agreement may be amended or modified pursuant to an agreement in writing entered into by the Borrower, the Required Lenders (with a copy to the Administrative Agent), or the Borrower and the Administrative Agent with consent of the Required Lenders.

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings set forth in the Existing Credit Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment of the Existing Credit Agreement. Subject to the terms and conditions of this Amendment (including the satisfaction or waiver of the conditions precedent set forth in Section 2), the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, subsections (b), (c) and (e) of the definition of "Payment Conditions" as follows:

"(b) (i) any Restricted Payment or Restricted Debt Payment made during Fiscal Year 2022 shall be made on a date that is before November 1, 2022 and (ii) any Restricted Payment or Restricted Debt Payment made in any subsequent Fiscal Year shall be made on a date that is during a Specified Amount Payment Period;"

"(c) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the aggregate amount of Available Cash of the Borrower and the Subsidiaries is greater than $100,000,000;"

"(e) at the time of such Restricted Payment or Restricted Debt Payment, the Adjusted Stockholders' Equity of the Borrower is not less than $800,000,000 (as reflected in the financial statements most recently delivered pursuant to Section 5.01(a) or 5.01(b)); and"

(b) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, subsection (c) of the definition of "Specified Amount" as follows:

"(c) the aggregate amount of Restricted Payments and Restricted Debt Payments made in reliance on Section 6.08(d) and Section 6.18(a)(ii), respectively, during the period starting on the first day of the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b) and ending on such date."

(c) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, the definition of "Specified Amount Payment Period" as follows:

"" Specified Amount Payment Period" means (a) prior to the consummation of a Qualified IPO, each period beginning on the date that financial statements are delivered pursuant to Section 5.01(b) with respect to the Fiscal Quarter ending June 30 of any Fiscal Year and ending on the date that is 90 days after June 30 of such Fiscal Year and (b) after the consummation of a Qualified IPO, each period beginning on the date financial statements for any Fiscal Year or Fiscal Quarter are delivered under either Section 5.01(a) or 5.01(b), respectively (beginning on the first such date after the consummation of a Qualified IPO), and ending on the date that is forty-five (45) days after the date that the Annual Report on Form 10-K (in the case of financial statements delivered under Section 5.01(a)) or the Quarterly Report on Form 10-Q (in the case of financial statements delivered under Section 5.01(b)) of the Borrower for the applicable period covered by such financial statements is required to be filed under the rules and regulations of the SEC."

(d) Section 1.01 of the Existing Credit Agreement is hereby amended by deleting in its entirety the definition of "Specified Amount Utilization".

(e) Section 6.08(d) of the Existing Credit Agreement is hereby amended by inserting "declare and" immediately between the phrases "the Borrower may" and "make Restricted Payments".

(f) Section 6.18(a) of the Existing Credit Agreement is hereby amended by amending and restating in its entirety as follows:

"(a) The Borrower shall not, nor shall the Borrower permit any of its Subsidiaries to,

(x) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Subordinated Shareholder Loan, (y) make any cash payment of interest on any Subordinated Shareholder Loans (clauses (x) and (y), each a "Restricted Debt Payment"), or (z) make any payment in violation of any subordination terms of any Subordinated Shareholder Loans, except:

(i) the refinancing thereof with the net proceeds of, or in exchange for, any Indebtedness permitted to be incurred pursuant to Section 6.01;

(ii) any Restricted Debt Payments in an amount not to exceed the Specified Amount so long as the Payment Conditions are met; and

(iii) within 15 days after the receipt by the Borrower of proceeds from a Qualified IPO, Restricted Debt Payments in an aggregate amount not to exceed the lesser of (A) 30% of the gross proceeds from such Qualified IPO and (B) $90,000,000, so long as the Payment Conditions (other than clause (b) and (d) thereof) are satisfied as of the date of such Restricted Debt Payments."

(g) Clause (x) of Section 9.02(b) of the Existing Credit Agreement is hereby amended by deleting the "," immediately after the parenthetical "(with a copy to the Administrative Agent)" and inserting an "or" immediately after such parenthetical.

SECTION 2. First Amendment Effective Date; Conditions Precedent. This Amendment shall become effective as of the date on which the following conditions have been satisfied or waived ("First Amendment Effective Date"):

(a) the Administrative Agent shall have received a counterpart of this Amendment executed by the Borrower, the Administrative Agent and the Required Lenders;

(b) the Administrative Agent shall have received all fees and other amounts due and payable on or prior to the First Amendment Effective Date;

(c) the Administrative Agent shall have received a certificate from the secretary or a Responsible Officer of the Borrower certifying that the conditions specified in Sections 2(d), (e) and (f) have been satisfied;

(d) the representations and warranties contained in Section 3 hereof shall be true and correct;

(e) at the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and

(f) since December 31, 2021, there has not occurred any event, development or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect.

SECTION 3. Representations and Warranties of the Borrower. As of the date hereof, the Borrower, for and on behalf of the Loan Parties, represents and warrants to the Administrative Agent and each Lender that, in each case, immediately after giving effect to this Amendment:

(a) the Borrower and each of the other Loan Parties are duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and the execution, delivery and performance by the Borrower and each of the other Loan Parties of this Amendment have been duly authorized by all necessary corporate, limited liability company or partnership action and do not and will not:

(i) violate any applicable law or regulation or the limited liability company agreements, charter, by-laws or other Organizational Documents of any Loan Party or any order of any Governmental Authority, which violation could reasonably be expected to have a Material Adverse Effect;

(ii) violate or result in a default under any indenture or other agreement regarding Material Indebtedness binding upon any Loan Party or any of their respective Properties, or give rise to a right thereunder to require any payment to be made by any Loan Party; or

(iii) result in the creation or imposition of any Lien on any Property of any Loan Party;

(b) the Borrower and each of the other Loan Parties have the power and authority to execute, deliver and perform its obligations under this Amendment, the Credit Agreement and the other Loan Documents;

(c) the representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the First Amendment Effective Date (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

SECTION 4. Effect of Amendment. From and after the First Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to "the Credit Agreement" in the Loan Documents and any and all other agreements, instruments, documents, notes, certificates, guaranties and other writings of every kind and nature shall be deemed to mean the Credit Agreement as amended by this Amendment. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 5. Confirmation of Other Loan Documents. Except as expressly contemplated hereby, the terms, provisions, conditions and covenants of the Credit Agreement, as amended by this Amendment, and the other Loan Documents remain in full force and effect and are hereby ratified and confirmed, and the execution, delivery and performance of this Amendment shall not, except as expressly set forth in this Amendment, operate as a waiver of, consent to or amendment of any term, provision, condition or covenant thereof. Without limiting the generality of the foregoing, each Loan Party hereby (i) agrees that, except to the extent expressly provided in this Amendment, this Amendment and the transactions contemplated hereby shall not limit or diminish the obligations of the Loan Parties, as applicable, arising under or pursuant to the Loan Documents and (ii) confirms, ratifies and reaffirms all of the payment and performance obligations of each Loan Party, as applicable, contingent or otherwise, under the Loan Documents. Without limiting the generality of the foregoing, each Loan Party hereby confirms and agrees that except pursuant hereto or as expressly contemplated or amended hereby, nothing contained herein shall be deemed (a) to constitute a waiver of compliance or consent to noncompliance by the Loan Parties with respect to any term, provision, condition or covenant of the Credit Agreement or any other Loan Documents, including, without limitation, those made the subject hereof, (b) to prejudice any right or remedy that the Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Documents or (c) to affect the right of the Administrative Agent or Lenders to demand strict compliance by the Loan Parties with all terms and conditions of the Credit Agreement (as amended hereby) and/or the other Loan Documents.

SECTION 6. Choice of Law. This Amendment and any dispute, claim or controversy arising out of or relating to this Amendment (whether arising in contract, tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

SECTION 7. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8. Counterparts; Integration; Effectiveness. The terms, provisions and conditions of Sections 9.09(b) through (d) and Section 9.10 of the Credit Agreement are hereby incorporated *mutatis mutandis*.

SECTION 9. Headings. Section headings in this Amendment used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment to Credit Agreement to be effective as of the First Amendment Effective Date.

BORROWER:

BKV CORPORATION,
a Delaware limited liability company

By /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: CEO

[SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT]

ADMINISTRATIVE AGENT AND LENDERS:

BANGKOK BANK PUBLIC COMPANY LIMITED,
NEW YORK BRANCH,
as Administrative Agent and as a Lender

By /s/ Thitipong Prasertsilp
Name: **Thitipong Prasertsilp**
Title: **VP&Branch Manager**

[SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT]

BANGKOK BANK PUBLIC COMPANY LIMITED,

as a Lender

By /s/ Niramarn Laisathit
Name: **Niramarn Laisathit**
Title: **Senior Executive Vice President**

[SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT]

KRUNG THAI BANK PUBLIC COMPANY LIMITED,
as a Lender

By /s/ Jamroong Suriyakiettikul
Name: (Mr. Jamroong Suriyakiettikul)
Title: First Vice President & Manager Corporate Banking Team 4

[SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT]

OVERSEA-CHINESE BANKING CORPORATION LIMITED, LOS ANGELES AGENCY,
as a Lender

By /s/ Grace S. Sun
Name: Grace S. Sun
Title: Deputy General Manager

[SIGNATURE PAGE TO FIRST AMENDMENT TO CREDIT AGREEMENT]

Exhibit 10.30

Execution Version

FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT (this " Amendment"), dated as of November 11, 2022, is entered into among BKV CORPORATION, a Delaware corporation (the "Borrower"), the LENDERS party hereto and BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH, as administrative agent (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, reference is made to that certain Revolving Credit Agreement, dated as of August 24, 2022 among the Borrower, the Lenders, and the Administrative Agent (as in effect immediately prior to the execution hereof, the "Existing Credit Agreement", and as further amended, restated, supplemented or otherwise modified from time to time, including by this Amendment, the "Credit Agreement"), pursuant to which the Lenders have made loans to the Borrower;

WHEREAS, the Borrower has requested that the Lenders agree to amend certain provisions of the Existing Credit Agreement and, subject to the terms and conditions set forth in this Amendment, the Lenders have agreed to amend the Existing Credit Agreement as hereinafter set forth;

WHEREAS, pursuant to Section 9.02(b) of the Existing Credit Agreement, the Existing Credit Agreement may be amended or modified pursuant to an agreement in writing entered into by the Borrower, the Required Lenders (with a copy to the Administrative Agent), or the Borrower and the Administrative Agent with consent of the Required Lenders.

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings set forth in the Existing Credit Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendment of the Existing Credit Agreement. Subject to the terms and conditions of this Amendment (including the satisfaction or waiver of the conditions precedent set forth in Section 2), the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, subsections (b), (c) and (e) of the definition of "Payment Conditions" as follows:

"(b) (i) any Restricted Payment or Restricted Debt Payment made during Fiscal Year 2022 shall be made on a date that is before November 1, 2022 and (ii) any Restricted Payment or Restricted Debt Payment made in any subsequent Fiscal Year shall be made on a date that is during a Specified Amount Payment Period;"

"(c) after giving pro forma effect to such Restricted Payment or Restricted Debt Payment, the aggregate amount of Available Cash of the Borrower and the Subsidiaries is greater than $100,000,000;"

"(e) at the time of such Restricted Payment or Restricted Debt Payment, the Adjusted Stockholders' Equity of the Borrower is not less than $800,000,000 (as reflected in the financial statements most recently delivered pursuant to Section 5.01(a) or 5.01(b)); and"

(b) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, subsection (c) of the definition of "Specified Amount" as follows:

"(c) the aggregate amount of Restricted Payments and Restricted Debt Payments made in reliance on Section 6.08(d) and Section 6.18(a)(ii), respectively, during the period starting on the first day of the Test Period most recently ended for which financial statements of the Borrower have been delivered pursuant to Section 5.01(a) or 5.01(b) and ending on such date."

(c) Section 1.01 of the Existing Credit Agreement is hereby amended by amending and restating, in its entirety, the definition of "Specified Amount Payment Period" as follows:

"" Specified Amount Payment Period" means (a) prior to the consummation of a Qualified IPO, each period beginning on the date that financial statements are delivered pursuant to Section 5.01(b) with respect to the Fiscal Quarter ending June 30 of any Fiscal Year and ending on the date that is 90 days after June 30 of such Fiscal Year and (b) after the consummation of a Qualified IPO, each period beginning on the date financial statements for any Fiscal Year or Fiscal Quarter are delivered under either Section 5.01(a) or 5.01(b), respectively (beginning on the first such date after the consummation of a Qualified IPO), and ending on the date that is forty-five (45) days after the date that the Annual Report on Form 10-K (in the case of financial statements delivered under Section 5.01(a)) or the Quarterly Report on Form 10-Q (in the case of financial statements delivered under Section 5.01(b)) of the Borrower for the applicable period covered by such financial statements is required to be filed under the rules and regulations of the SEC."

(d) Section 1.01 of the Existing Credit Agreement is hereby amended by deleting in its entirety the definition of "Specified Amount Utilization".

(e) Section 6.08(d) of the Existing Credit Agreement is hereby amended by inserting "declare and" immediately between the phrases "the Borrower may" and "make Restricted Payments".

(f) Section 6.18(a) of the Existing Credit Agreement is hereby amended by amending and restating in its entirety as follows:

"(a) The Borrower shall not, nor shall the Borrower permit any of its Subsidiaries to, (x) prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Subordinated Shareholder Loan, (y) make any cash payment of interest on any Subordinated Shareholder Loans (clauses (x) and (y), each a "Restricted Debt Payment"), or (z) make any payment in violation of any subordination terms of any Subordinated Shareholder Loans, except:

(i) the refinancing thereof with the net proceeds of, or in exchange for, any Indebtedness permitted to be incurred pursuant to Section 6.01;

(ii) any Restricted Debt Payments in an amount not to exceed the Specified Amount so long as the Payment Conditions are met; and

(iii) within 15 days after the receipt by the Borrower of proceeds from a Qualified IPO, Restricted Debt Payments in an aggregate amount not to exceed the lesser of (A) 30% of the gross proceeds from such Qualified IPO and (B) $90,000,000, so long as the Payment Conditions (other than clause (b) and (d) thereof) are satisfied as of the date of such Restricted Debt Payments."

(g) Clause (x) of Section 9.02(b) of the Existing Credit Agreement is hereby amended by deleting the "," immediately after the parenthetical "(with a copy to the Administrative Agent)" and inserting an "or" immediately after such parenthetical.

SECTION 2. First Amendment Effective Date; Conditions Precedent. This Amendment shall become effective as of the date on which the following conditions have been satisfied or waived ("First Amendment Effective Date"):

(a) the Administrative Agent shall have received a counterpart of this Amendment executed by the Borrower, the Administrative Agent and the Lenders;

(b) the Administrative Agent shall have received all fees and other amounts due and payable on or prior to the First Amendment Effective Date;

(c) the Administrative Agent shall have received a certificate from the secretary or a Responsible Officer of the Borrower certifying that the conditions specified in Sections 2(d), (e) and (f) have been satisfied;

(d) the representations and warranties contained in Section 3 hereof shall be true and correct;

(e) at the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and

(f) since December 31, 2021, there has not occurred any event, development or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect.

SECTION 3. Representations and Warranties of the Borrower. As of the date hereof, the Borrower, for and on behalf of the Loan Parties, represents and warrants to the Administrative Agent and each Lender that, in each case, immediately after giving effect to this Amendment:

(a) the Borrower and each of the other Loan Parties are duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and the execution, delivery and performance by the Borrower and each of the other Loan Parties of this Amendment have been duly authorized by all necessary corporate, limited liability company or partnership action and do not and will not:

(i) violate any applicable law or regulation or the limited liability company agreements, charter, by-laws or other Organizational Documents of any Loan Party or any order of any Governmental Authority, which violation could reasonably be expected to have a Material Adverse Effect;

(ii) violate or result in a default under any indenture or other agreement regarding Material Indebtedness binding upon any Loan Party or any of their respective Properties, or give rise to a right thereunder to require any payment to be made by any Loan Party; or

(iii) result in the creation or imposition of any Lien on any Property of any Loan Party;

(b) the Borrower and each of the other Loan Parties have the power and authority to execute, deliver and perform its obligations under this Amendment, the Credit Agreement and the other Loan Documents;

(c) the representations and warranties of the Borrower and the other Loan Parties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) on and as of the First Amendment Effective Date (although any representations and warranties which expressly relate to an earlier date shall be required only to be true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or a material adverse change or material adverse effect standard, in all respects) as of the specified earlier date).

SECTION 4. Effect of Amendment. From and after the First Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to "the Credit Agreement" in the Loan Documents and any and all other agreements, instruments, documents, notes, certificates, guaranties and other writings of every kind and nature shall be deemed to mean the Credit Agreement as amended by this Amendment. This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 5. Confirmation of Other Loan Documents. Except as expressly contemplated hereby, the terms, provisions, conditions and covenants of

the Credit Agreement, as amended by this Amendment, and the other Loan Documents remain in full force and effect and are hereby ratified and confirmed, and the execution, delivery and performance of this Amendment shall not, except as expressly set forth in this Amendment, operate as a waiver of, consent to or amendment of any term, provision, condition or covenant thereof. Without limiting the generality of the foregoing, each Loan Party hereby (i) agrees that, except to the extent expressly provided in this Amendment, this Amendment and the transactions contemplated hereby shall not limit or diminish the obligations of the Loan Parties, as applicable, arising under or pursuant to the Loan Documents and (ii) confirms, ratifies and reaffirms all of the payment and performance obligations of each Loan Party, as applicable, contingent or otherwise, under the Loan Documents. Without limiting the generality of the foregoing, each Loan Party hereby confirms and agrees that except pursuant hereto or as expressly contemplated or amended hereby, nothing contained herein shall be deemed (a) to constitute a waiver of compliance or consent to noncompliance by the Loan Parties with respect to any term, provision, condition or covenant of the Credit Agreement or any other Loan Documents, including, without limitation, those made the subject hereof, (b) to prejudice any right or remedy that the Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Documents or (c) to affect the right of the Administrative Agent or Lenders to demand strict compliance by the Loan Parties with all terms and conditions of the Credit Agreement (as amended hereby) and/or the other Loan Documents.

SECTION 6. Choice of Law. This Amendment and any dispute, claim or controversy arising out of or relating to this Amendment (whether arising in contract, tort or otherwise) shall be construed in accordance with and governed by the law of the State of New York.

SECTION 7. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 8. Counterparts; Integration; Effectiveness. The terms, provisions and conditions of Sections 9.09(b) through (d) and Section 9.10 of the Credit Agreement are hereby incorporated *mutatis mutandis*.

SECTION 9. Headings. Section headings in this Amendment used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

[*Remainder of page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment to Revolving Credit Agreement to be effective as of the First Amendment Effective Date.

BORROWER:

BKV CORPORATION,
a Delaware limited liability company

By /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: CEO

[SIGNATURE PAGE TO FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT]

ADMINISTRATIVE AGENT AND LENDER:

BANGKOK BANK PUBLIC COMPANY LIMITED,
NEW YORK BRANCH,
as Administrative Agent and as a Lender

By /s/ Thitipong Prasertsilp
Name: **Thitipong Prasertsilp**
Title: **VP&Branch Manager**

[SIGNATURE PAGE TO FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT]

Exhibit 21.1

List of Subsidiaries of BKV Corporation

Name	State or Other Jurisdiction of Incorporation or Organization
BKV Barnett, LLC	Delaware
BKV Chaffee Corners, LLC	Delaware
BKV Chelsea, LLC	Delaware
BKV dCarbon Ventures, LLC	Delaware
BKVerde, LLC	Delaware
BKV Midstream, LLC	Delaware
BKV North Texas, LLC	Delaware
BKV Operating, LLC	Delaware
Kalnin Ventures LLC	Colorado

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of BKV Corporation of our report dated August 12, 2022 relating to the financial statements of BKV Corporation, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado
November 18, 2022

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use in this Registration Statement on Form S-1 of BKV Corporation of our report dated September 12, 2022 relating to the statements of revenues and direct operating expenses of the Barnett Assets of XTO Energy Inc. and Barnett Gathering, LLC, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Dallas, Texas
November 18, 2022

Exhibit 23.3

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

We hereby consent to the references to our firm in this Registration Statement on Form S-1 for BKV Corporation, and to the use of information from, and the inclusion of, our reports, (i) dated October 21, 2022, with respect to the estimates of proved reserves, future production and income attributable to certain leasehold and royalty interests of Kalnin Ventures, LLC referred to as the Barnett Assets as of December 31, 2020, (ii) dated October 21, 2022, with respect to the estimates of proved reserves, future production and income attributable to certain leasehold interests of Kalnin Ventures, LLC referred to as the Chaffee Corners Assets as of December 31, 2020, (iii) dated October 21, 2022, with respect to the estimates of proved and probable reserves, future production and income attributable to certain leasehold interests of Kalnin Ventures, LLC referred to as the Chelsea Assets as of December 31, 2020, (iv) dated October 21, 2022, with respect to the estimates of proved and probable reserves, future production and income attributable to certain leasehold interests of Kalnin Ventures, LLC referred to as the BKV Assets as of December 31, 2020, (v) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corporation referred to as the Barnett Assets as of December 31, 2021, (vi) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chaffee Corners Assets as of December 31, 2021, (vii) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chelsea Assets as of December 31, 2021, (viii) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the BKV Assets as of December 31, 2021, (ix) dated October 20, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corporation referred to as the Barnett Assets as of September 30, 2022, (x) dated October 20, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chaffee Corners Assets as of September 30, 2022, (xi) dated October 20, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chelsea Assets as of September 30, 2022, (xii) dated October 20, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the BKV Assets as of September 30, 2022, (xiii) dated October 20, 2022, with respect to the estimates of proved and probable reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corporation acquired from XTO Energy Inc. and referred to as Project Europa as of September 30, 2022, (xiv) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corporation referred to as the Barnett Assets, using a NYMEX Alternate Pricing Scheme, as of September 30, 2022, (xv) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chaffee Corners Assets, using a NYMEX Alternate Pricing Scheme, as of September 30, 2022, (xvi) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the Chelsea Assets, using a NYMEX Alternate Pricing Scheme, as of September 30, 2022, (xvii) dated October 21, 2022, with respect to the estimates of proved, probable and possible reserves, future production and income attributable to certain leasehold interests of BKV Corporation referred to as the BKV Assets, using a NYMEX Alternate Pricing Scheme, as of September 30, 2022, and (xviii) dated October 21, 2022, with respect to the estimates of proved and probable reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corporation acquired from XTO Energy Inc. and referred to as Project Europa, using a NYMEX Alternate Pricing Scheme, as of September 30, 2022, each in this Registration Statement. We further consent to the reference to our firm under the heading “Experts” in this Registration Statement and related prospectus.

/s/ Ryder Scott Company, L.P.

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Denver, Colorado
November 18, 2022

Exhibit 99.1

KALNIN VENTURES, LLC

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

BARNETT ASSETS

SEC Parameters

As of

December 31, 2020

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

KALNIN VENTURES, LLC

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved reserves, future production, and income attributable to certain leasehold and royalty interests of Kalnin Ventures, LLC (Kalnin) referred to as the Barnett Assets as of December 31, 2020. This revised report supersedes our prior report dated January 19, 2021 as of December 31, 2020, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV Corp. (BKV) in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Texas. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Barnett Assets evaluated by Ryder Scott account for a portion of Kalnin's total net proved reserves as of December 31, 2020. Based on information provided by Kalnin, the third party estimate conducted by Ryder Scott addresses 100 percent of the total proved developed net liquid hydrocarbon reserves and 78 percent of the total proved developed net gas reserves of Kalnin.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2020 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
Kalnin Ventures, LLC
Barnett Assets
As of December 31, 2020

	Proved		
	Developed		Total
	Producing	Non-Producing[1]	Proved
Net Reserves			
Oil/Condensate – Mbbl	723	0	723
Plant Products – Mbbl	107,234	0	107,234
Gas – MMcf	1,480,707	0	1,480,707
Income Data ($M)			
Future Gross Revenue	$ 3,895,477	$ 0	$ 3,895,477
Deductions	2,927,668	3,214	2,930,882
Future Net Income (FNI)	$ 967,809	$ (3,214)	$ 964,595
Discounted FNI @ 10%	$ 464,232	$ (2,933)	$ 461,299

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. All gas reserves volumes are reported on an “as sold” basis. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of Kalnin. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 61 percent of the total future gross revenue from proved reserves and liquid hydrocarbon reserves account for the remaining 39 percent of total future gross revenue from the proved reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2020 Total Proved
6	$ 592,818
9	$ 488,931
12	$ 413,879
15	$ 357,828

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved reserves included herein conform to the definition as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Kalnin's request, this report addresses only the proved reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The proved reserves included herein were estimated using deterministic methods. The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered."

Proved reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

Kalnin's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of proved reserves presented herein were based upon a detailed study of the properties in which Kalnin owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved reserves attributable to the producing wells and/or reservoirs included herein were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through August or October 2020, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data used in these analyses were furnished to Ryder Scott by Kalnin or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Kalnin has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved production and income, we have relied upon data furnished by Kalnin with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, abandonment costs after salvage, product prices based on the SEC regulations, and adjustments or differentials to product prices. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Kalnin. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The future production rates from wells currently on production may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished the above mentioned average prices in effect on December 31, 2020. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

Product prices which were actually used for each property reflect adjustments for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by Kalnin and accepted as factual data.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Prices	Average Realized Prices
North America				
United States	Oil/Condensate	WTI Cushing	$39.57/bbl	$29.07/bbl
	NGLs	Mont Belvieu	$18.70/bbl	$14.39/bbl
	Gas	Henry Hub	$1.985/MMBTU	$1.64/Mcf

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by Kalnin and are based on the operating expense reports of Kalnin and include only those costs directly applicable to the leases or wells. Certain gathering and transportation costs are also included as operating costs. The operating costs furnished by Kalnin were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the operating cost data used by Kalnin. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by Kalnin were accepted without independent verification.

Current costs used by Kalnin were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to Kalnin. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

PROVED RESERVES (SEC DEFINITIONS) CONTINUED

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.2

KALNIN VENTURES, LLC

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHAFFEE CORNERS ASSETS

SEC Parameters

As of

December 31, 2020

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

KALNIN VENTURES, LLC

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved reserves, future production, and income attributable to certain leasehold interests of Kalnin Ventures, LLC (Kalnin) referred to as the Chaffee Corners Assets as of December 31, 2020. This revised report supersedes our prior report dated January 19, 2021 as of December 31, 2020, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV Corp. (BKV) in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Chaffee Corners Assets evaluated by Ryder Scott account for a portion of Kalnin's total net proved reserves as of December 31, 2020. Based on information provided by Kalnin, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved developed net liquid hydrocarbon reserves, 3 percent of the total proved developed net gas reserves, 0 percent of the total proved undeveloped net liquid hydrocarbon reserves, and 10 percent of the total proved undeveloped net gas reserves of Kalnin.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2020 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
Kalnin Ventures, LLC
Chaffee Corners Assets
As of December 31, 2020

	Proved		
	Developed Producing	Undeveloped	Total Proved
Net Reserves			
Gas – MMcf	61,380	9,044	70,424
Income Data ($M)			
Future Gross Revenue	$ 56,803	$ 8,364	$ 65,167
Deductions	27,905	4,989	32,894
Future Net Income (FNI)	$ 28,898	$ 3,375	$ 32,273
Discounted FNI @ 10%	$ 18,406	$ 144	$ 18,550

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of Kalnin. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income As of December 31, 2020 ($M) Total Proved
6	$ 22,694
9	$ 19,460
12	$ 16,935
15	$ 14,931

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved reserves included herein conform to the definition as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Kalnin's request, this report addresses only the proved reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The proved reserves included herein were estimated using deterministic methods. The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered."

Proved reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

Kalnin's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of proved reserves presented herein were based upon a detailed study of the properties in which Kalnin owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved reserves for the properties included herein were estimated by performance methods or analogy. In general, the producing reserves were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through October 2020 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by Kalnin or obtained from public data sources and were considered sufficient for the purpose thereof. In certain producing cases where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as the sole basis for the reserves estimates was considered to be inappropriate, decline parameters were guided by analogy to other more established wells.

All of the proved undeveloped reserves included herein were estimated by analogy based on analogue data furnished to Ryder Scott by Kalnin or which we have obtained from public data sources that were available through October 2020. The data utilized from the analogues incorporated into our analysis were considered sufficient for the purpose thereof.

To estimate economically recoverable proved oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Kalnin has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved production and income, we have relied upon data furnished by Kalnin with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as gas gathering and handling fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Kalnin. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on historical performance data. If no definitive production decline trend has been established, future production rates were based on analogy. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Analogy data were used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Kalnin. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished the above mentioned average prices in effect on December 31, 2020. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the “benchmark prices” and “price reference” used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as “differentials.” The differentials used in the preparation of this report were furnished to us by Kalnin. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Kalnin to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the “average realized price.” The average realized price shown in the table below was determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in this report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price
North America				
United States	Gas	Henry Hub	$1.985/MMBTU	$0.93/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by Kalnin and are based on the operating expense reports of Kalnin and include only those costs directly applicable to the leases or wells. The operating costs include a portion of general and administrative costs allocated directly to the leases and wells. The operating costs furnished to us were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by Kalnin and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by Kalnin were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by Kalnin were accepted without independent verification.

The proved undeveloped reserves in this report have been incorporated herein in accordance with Kalnin's plans to develop these reserves as of December 31, 2020. The implementation of Kalnin's development plans as presented to us and incorporated herein is subject to the approval process adopted by Kalnin's management. As the result of our inquiries during the course of preparing this report, Kalnin has informed us that the development activities included herein have been subjected to and received the internal approvals required by Kalnin's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to Kalnin. Kalnin has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, Kalnin has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2020, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by Kalnin were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to Kalnin. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

PROVED RESERVES (SEC DEFINITIONS) CONTINUED

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.3

KALNIN VENTURES, LLC

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHELSEA ASSETS

SEC Parameters

As of

December 31, 2020

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

KALNIN VENTURES, LLC

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved and probable reserves, future production, and income attributable to certain leasehold interests of Kalnin Ventures, LLC (Kalnin) referred to as the Chelsea Assets as of December 31, 2020. This revised report supersedes our prior report dated January 19, 2021 as of December 31, 2020, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV Corp. (BKV) in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Chelsea Assets evaluated by Ryder Scott account for a portion of Kalnin's total net proved and probable reserves as of December 31, 2020. Based on information provided by Kalnin, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved and 0 percent of the total probable developed net liquid hydrocarbon reserves, 10 percent of the total proved and 0 percent of the total probable developed net gas reserves, 0 percent of the total proved and 0 percent of the total probable undeveloped net liquid hydrocarbon reserves, and 24 percent of the total proved and 14 percent of the total probable undeveloped net gas reserves of Kalnin.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2020 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
Kalnin Ventures, LLC
Chelsea Assets
As of December 31, 2020

	Proved			
	Developed			Total
	Producing	Non-Producing[1]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	179,158	0	21,818	200,976
Income Data ($M)				
Future Gross Revenue	$ 139,084	$ 0	$ 18,719	$ 157,803
Deductions	89,577	579	11,412	101,568
Future Net Income (FNI)	$ 49,507	$ (579)	$ 7,307	$ 56,235
Discounted FNI @ 10%	$ 35,325	$ (528)	$ 2,371	$ 37,168

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped
Net Reserves	
Gas – MMcf	8,809
Income Data ($M)	
Future Gross Revenue	$ 7,642
Deductions	5,276
Future Net Income (FNI)	$ 2,366
Discounted FNI @ 10%	$ 301

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of Kalnin. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved and probable reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2020 Total Proved	Total Probable
6	$ 43,652	$ 735
9	$ 38,639	$ 383
12	$ 34,498	$ 173
15	$ 31,086	$ 47

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved and probable reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved and probable gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Kalnin's request, this report addresses the proved and probable reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved and probable reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

Kalnin’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved and probable reserves actually recovered and amounts of proved and probable income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which Kalnin owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the “quantities actually recovered are much more likely to be achieved than not.” The SEC states that “probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC states that “possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves.” All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved and probable reserves for the properties included herein were estimated by performance methods or analogy. In general, the producing reserves were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through October 2020 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by Kalnin or obtained from public data sources and were considered sufficient for the purpose thereof. In certain producing cases where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as the sole basis for the reserves estimates was considered to be inappropriate, decline parameters were guided by analogy to other more established wells.

All of the proved and probable undeveloped reserves included herein were estimated by analogy based on analogue data furnished to Ryder Scott by Kalnin or which we have obtained from public data sources that were available through October 2020. The data utilized from the analogues incorporated into our analysis were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Kalnin has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved and probable production and income, we have relied upon data furnished by Kalnin with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as gas gathering and handling fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Kalnin. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved and probable reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved and probable reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on historical performance data. If no definitive production decline trend has been established, future production rates were based on analogy. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Analogy data were used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Kalnin. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished the above mentioned average prices in effect on December 31, 2020. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by Kalnin. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Kalnin to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in this report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price
North America					
United States	Gas	Henry Hub	$1.985/MMBTU	$0.79/Mcf	$0.87/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by Kalnin and are based on the operating expense reports of Kalnin and include only those costs directly applicable to the leases or wells. The operating costs include a portion of general and administrative costs allocated directly to the leases and wells. The operating costs furnished to us were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by Kalnin and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by Kalnin were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by Kalnin were accepted without independent verification.

The proved and probable undeveloped reserves in this report have been incorporated herein in accordance with Kalnin's plans to develop these reserves as of December 31, 2020. The implementation of Kalnin's development plans as presented to us and incorporated herein is subject to the approval process adopted by Kalnin's management. As the result of our inquiries during the course of preparing this report, Kalnin has informed us that the development activities included herein have been subjected to and received the internal approvals required by Kalnin's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to Kalnin. Kalnin has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, Kalnin has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2020, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by Kalnin were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to Kalnin. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

PROVED RESERVES (SEC DEFINITIONS) CONTINUED

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.4

KALNIN VENTURES, LLC

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

BKV ASSETS

SEC Parameters

As of

December 31, 2020

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

KALNIN VENTURES, LLC

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved and probable reserves, future production, and income attributable to certain leasehold interests of Kalnin Ventures, LLC (Kalnin) referred to as the BKV Assets as of December 31, 2020. This revised report supersedes our prior report dated January 19, 2021 as of December 31, 2020, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV Corp. (BKV) in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the BKV Assets evaluated by Ryder Scott account for a portion of Kalnin's total net proved and probable reserves as of December 31, 2020. Based on information provided by Kalnin, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved and 0 percent of the total probable developed net liquid hydrocarbon reserves, 9 percent of the total proved and 0 percent of the total probable developed net gas reserves, 0 percent of the total proved and 0 percent of the total probable undeveloped net liquid hydrocarbon reserves, and 66 percent of the total proved and 86 percent of the total probable undeveloped net gas reserves of Kalnin.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2020 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
Kalnin Ventures, LLC
BKV Assets
As of December 31, 2020

	Proved			
	Developed			
	Producing	Non-Producing[1]	Undeveloped	Total Proved
Net Reserves				
Gas – MMcf	171,915	0	61,512	233,427
Income Data ($M)				
Future Gross Revenue	$ 143,136	$ 0	$ 52,709	$ 195,845
Deductions	89,026	395	32,786	122,207
Future Net Income (FNI)	$ 54,110	$ (395)	$ 19,923	$ 73,638
Discounted FNI @ 10%	$ 38,017	$ (361)	$ 6,284	$ 43,940

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped
Net Reserves	
Gas – MMcf	53,076
Income Data ($M)	
Future Gross Revenue	$ 46,043
Deductions	29,705
Future Net Income (FNI)	$ 16,338
Discounted FNI @ 10%	$ 1,661

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of Kalnin. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved and probable reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2020 Total Proved	Total Probable
6	$ 53,221	$ 4,529
9	$ 45,996	$ 2,192
12	$ 40,268	$ 849
15	$ 35,681	$ 72

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved and probable reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved and probable gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Kalnin's request, this report addresses the proved and probable reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved and probable reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

Kalnin’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved and probable reserves actually recovered and amounts of proved and probable income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which Kalnin owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved and probable reserves for the properties included herein were estimated by performance methods or analogy. In general, the producing reserves were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through October 2020 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by Kalnin or obtained from public data sources and were considered sufficient for the purpose thereof. In certain producing cases where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as the sole basis for the reserves estimates was considered to be inappropriate, decline parameters were guided by analogy to other more established wells.

All of the proved and probable undeveloped reserves included herein were estimated by analogy based on analogue data furnished to Ryder Scott by Kalnin or which we have obtained from public data sources that were available through October 2020. The data utilized from the analogues incorporated into our analysis were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Kalnin has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved and probable production and income, we have relied upon data furnished by Kalnin with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as gas gathering and handling fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Kalnin. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved and probable reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved and probable reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on historical performance data. If no definitive production decline trend has been established, future production rates were based on analogy. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Analogy data were used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Kalnin. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished the above mentioned average prices in effect on December 31, 2020. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by Kalnin. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Kalnin to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in this report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price
North America					
United States	Gas	Henry Hub	$1.985/MMBTU	$0.84/Mcf	$0.87/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by Kalnin and are based on the operating expense reports of Kalnin and include only those costs directly applicable to the leases or wells. The operating costs include a portion of general and administrative costs allocated directly to the leases and wells. The operating costs furnished to us were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by Kalnin and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by Kalnin were reviewed by us for their reasonableness using information furnished by Kalnin for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by Kalnin were accepted without independent verification.

The proved and probable undeveloped reserves in this report have been incorporated herein in accordance with Kalnin's plans to develop these reserves as of December 31, 2020. The implementation of Kalnin's development plans as presented to us and incorporated herein is subject to the approval process adopted by Kalnin's management. As the result of our inquiries during the course of preparing this report, Kalnin has informed us that the development activities included herein have been subjected to and received the internal approvals required by Kalnin's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to Kalnin. Kalnin has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, Kalnin has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2020, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by Kalnin were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to Kalnin. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

PROVED RESERVES (SEC DEFINITIONS) CONTINUED

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.5

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

BARNETT ASSETS

SEC Parameters

As of

December 31, 2021

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold and royalty interests of BKV Corp. (BKV) referred to as the Barnett Assets as of December 31, 2021. This revised report supersedes our prior report dated December 13, 2021 as of December 31, 2021, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Texas. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Barnett Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of December 31, 2021. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 100 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 81 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 100 percent of the total proved, 100 percent of the total probable and 100 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 49 percent of the total proved, 62 percent of the total probable and 51 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2021 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corp.
Barnett Assets
As of December 31, 2021

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	867	0	58	925
Plant Products – Mbbl	142,961	8,472	13,722	165,155
Gas – MMcf	1,882,781	148,214	468,762	2,499,757
Income Data ($M)				
Future Gross Revenue	$ 9,266,575	$ 668,814	$ 1,895,851	$ 11,831,240
Deductions	4,423,562	321,608	1,105,838	5,851,008
Future Net Income (FNI)	$ 4,843,013	$ 347,206	$ 790,013	$ 5,980,232
Discounted FNI @ 10%	$ 2,226,324	$ 106,070	$ 207,677	$ 2,540,071

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Oil/Condensate – Mbbl	486	1,841
Plant Products – Mbbl	31,227	32,047
Gas – MMcf	321,838	194,841
Income Data ($M)		
Future Gross Revenue	$ 1,843,920	$ 1,426,533
Deductions	962,484	801,286
Future Net Income (FNI)	$ 881,436	$ 625,247
Discounted FNI @ 10%	$ 167,944	$ 62,478

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. All gas reserves volumes are reported on an “as sold” basis. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 70 percent and liquid hydrocarbon reserves account for the remaining 30 percent of total future gross revenue from proved reserves. Gas reserves account for approximately 63 percent and liquid hydrocarbon reserves account for the remaining 37 percent of total future gross revenue from probable reserves. Gas reserves account for approximately 45 percent and liquid hydrocarbon reserves account for the remaining 55 percent of total future gross revenue from possible reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of December 31, 2021		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 2,889,213	$ 224,027	$ 96,193
12	$ 2,263,496	$ 127,473	$ 40,726
15	$ 1,943,207	$ 85,742	$ 21,311
20	$ 1,570,202	$ 45,515	$ 6,652

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the behind pipe status category.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between May and September 2021, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved developed non-producing as well as all of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on December 31, 2021. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, certain NGL fractionation and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Prices	Average Proved Realized Prices	Average Probable Realized Prices	Average Possible Realized Prices
North America						
United States	Oil/Condensate	WTI Cushing	$66.56/Bbl	$58.94/Bbl	$58.94/Bbl	$58.94/Bbl
	NGLs	WTI Cushing	$66.56/Bbl	$22.01/Bbl	$22.01/Bbl	$22.01/Bbl
	Gas	Henry Hub	$3.598/MMBTU	$3.46/Mcf	$3.75/Mcf	$3.45/Mcf

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gas gathering and transportation costs were included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved developed non-producing and proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2021. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2021, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.6

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

CHAFFEE CORNERS ASSETS

SEC Parameters

As of

December 31, 2021

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chaffee Corners Assets as of December 31, 2021. This revised report supersedes our prior report dated December 13, 2021 as of December 31, 2021, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Chaffee Corners Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of December 31, 2021. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 3 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 1 percent of the total proved, 6 percent of the total probable and less than 1 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2021 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chaffee Corners Assets
As of December 31, 2021

	Proved			
	Developed			Total
	Producing	Non-Producing[(1)]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	64,993	0	6,499	71,492
Income Data ($M)				
Future Gross Revenue	$ 220,106	$ 0	$ 22,013	$ 242,119
Deductions	69,642	57	9,819	79,518
Future Net Income (FNI)	$ 150,464	$ (57)	$ 12,194	$ 162,601
Discounted FNI @ 10%	$ 75,049	$ (53)	$ 4,069	$ 79,065

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	31,944	980
Income Data ($M)		
Future Gross Revenue	$ 108,184	$ 3,319
Deductions	64,391	2,379
Future Net Income (FNI)	$ 43,793	$ 940
Discounted FNI @ 10%	$ 6,227	$ 3

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2021 Total Proved	Total Probable	Total Possible
8	$ 88,256	$ 9,482	$ 67
12	$ 71,663	$ 3,861	$ (37)
15	$ 62,948	$ 1,429	$ (70)
20	$ 52,574	$ (846)	$ (86)

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between June and September 2021, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on December 31, 2021. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized price shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$3.598/MMBTU	$3.39/Mcf	$3.39/Mcf	$3.39/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2021. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2021, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.7

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHELSEA ASSETS

SEC Parameters

As of

December 31, 2021

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chelsea Assets as of December 31, 2021. This revised report supersedes our prior report dated December 13, 2021 as of December 31, 2021, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the Chelsea Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of December 31, 2021. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 8 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 18 percent of the total proved, 16 percent of the total probable and 29 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2021 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chelsea Assets
As of December 31, 2021

	Proved			
	Developed			Total
	Producing	Non-Producing[1]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	198,498	0	174,139	372,637
Income Data ($M)				
Future Gross Revenue	$ 548,433	$ 0	$ 484,880	$ 1,033,313
Deductions	326,523	352	288,102	614,977
Future Net Income (FNI)	$ 221,910	$ (352)	$ 196,778	$ 418,336
Discounted FNI @ 10%	$ 130,841	$ (322)	$ 65,149	$ 195,668

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	84,140	111,682
Income Data ($M)		
Future Gross Revenue	$ 233,015	$ 306,859
Deductions	164,371	232,123
Future Net Income (FNI)	$ 68,644	$ 74,736
Discounted FNI @ 10%	$ 12,921	$ 7,419

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of December 31, 2021		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 221,047	$ 17,962	$ 12,247
12	$ 175,026	$ 9,203	$ 4,216
15	$ 150,522	$ 5,314	$ 1,317
20	$ 121,204	$ 1,565	$ (808)

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between June and September 2021, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on December 31, 2021. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized price shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$3.598/MMBTU	$2.77/Mcf	$2.77/Mcf	$2.75/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2021. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2021, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.8

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

BKV ASSETS

SEC Parameters

As of

December 31, 2021

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared a revised report presenting our results for the estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the BKV Assets as of December 31, 2021. This revised report supersedes our prior report dated December 13, 2021 as of December 31, 2021, in order to provide additional required public disclosures for filings made with the SEC. The reserves and income data, as well as the underlying assumptions, in this report are the same as those included in our prior report; however this report was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations).

The properties referred to as the BKV Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of December 31, 2021. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 8 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 32 percent of the total proved, 16 percent of the total probable and 19 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2021 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
BKV Assets
As of December 31, 2021

	Proved			
	Developed			Total
	Producing	Non-Producing[1]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	200,440	0	300,958	501,398
Income Data ($M)				
Future Gross Revenue	$ 558,998	$ 0	$ 848,149	$ 1,407,147
Deductions	333,748	518	497,081	831,347
Future Net Income (FNI)	$ 225,250	$ (518)	$ 351,068	$ 575,800
Discounted FNI @ 10%	$ 134,529	$ (474)	$ 125,610	$ 259,665

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	84,520	74,438
Income Data ($M)		
Future Gross Revenue	$ 236,108	$ 204,528
Deductions	162,300	154,743
Future Net Income (FNI)	$ 73,808	$ 49,785
Discounted FNI @ 10%	$ 14,993	$ 4,937

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2021 Total Proved	Total Probable	Total Possible
8	$ 295,171	$ 20,373	$ 8,153
12	$ 230,879	$ 10,993	$ 2,804
15	$ 196,806	$ 6,760	$ 873
20	$ 156,160	$ 2,586	$ (542)

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between June and September 2021, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on December 31, 2021. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized price shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$3.598/MMBTU	$2.81/Mcf	$2.79/Mcf	$2.75/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2021. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of December 31, 2021, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at www.ryderscott.com/Experience/Employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2020 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG and regulatory issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year, including one course in which he was the primary instructor, covering topics such as reserves evaluation methods and evaluation software, RTA/PTA, ethics, regulatory issues, greenhouse gas management, geothermal energy, and more.

Based on his educational background, professional training and more than 15 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.9

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

BARNETT ASSETS

SEC Parameters

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 20, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold and royalty interests of BKV Corp. (BKV) referred to as the Barnett Assets as of September 30, 2022. The subject properties are located in the state of Texas. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on July 8, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study, presented herein, was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Barnett Assets evaluated by Ryder Scott account for a portion of BKV Corp's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 89 percent of the total proved, 100 percent of the total probable and 100 percent of the total possible developed net liquid hydrocarbon reserves, 56 percent of the total proved, 98 percent of the total probable and 100 percent of the total possible developed net gas reserves, 90 percent of the total proved, 100 percent of the total probable and 100 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 50 percent of the total proved, 71 percent of the total probable and 45 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corp.
Barnett Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	823	103	560	1,486
Plant Products – Mbbl	144,453	13,863	38,737	197,053
Gas – MMcf	1,932,667	235,416	568,625	2,736,708
Income Data ($M)				
Future Gross Revenue	$ 15,182,687	$ 1,735,766	$ 4,560,281	$ 21,478,734
Deductions	5,103,538	515,849	1,568,805	7,188,192
Future Net Income (FNI)	$ 10,079,149	$ 1,219,917	$ 2,991,476	$ 14,290,542
Discounted FNI @ 10%	$ 4,418,960	$ 407,446	$ 1,079,831	$ 5,906,237

	Probable		
	Developed		Total
	Non-Producing	Undeveloped	Probable
Net Reserves			
Oil/Condensate – Mbbl	0	1,625	1,625
Plant Products – Mbbl	25,886	41,231	67,117
Gas – MMcf	354,047	412,308	766,355
Income Data ($M)			
Future Gross Revenue	$ 2,751,361	$ 3,750,948	$ 6,502,309
Deductions	852,832	1,418,869	2,271,701
Future Net Income (FNI)	$ 1,898,529	$ 2,332,079	$ 4,230,608
Discounted FNI @ 10%	$ 394,488	$ 530,044	$ 924,532

	Possible		
	Developed		Total
	Non-Producing	Undeveloped	Possible
Net Reserves			
Oil/Condensate – Mbbl	0	1,364	1,364
Plant Products – Mbbl	9,999	25,122	35,121
Gas – MMcf	107,126	201,338	308,464
Income Data ($M)			
Future Gross Revenue	$ 899,209	$ 1,998,099	$ 2,897,308
Deductions	253,602	878,953	1,132,555
Future Net Income (FNI)	$ 645,607	$ 1,119,146	$ 1,764,753
Discounted FNI @ 10%	$ 96,085	$ 153,612	$ 249,697

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. All gas reserves volumes are reported on an "as sold" basis. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 71 percent and liquid hydrocarbon reserves account for the remaining 29 percent of total future gross revenue from proved reserves. Gas reserves account for approximately 66 percent and liquid hydrocarbon reserves account for the remaining 34 percent of total future gross revenue from probable reserves. Gas reserves account for approximately 59 percent and liquid hydrocarbon reserves account for the remaining 41 percent of total future gross revenue from possible reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 6,712,014	$ 1,189,888	$ 351,896
12	$ 5,272,748	$ 729,689	$ 179,909
15	$ 4,542,766	$ 523,635	$ 112,579
20	$ 3,694,302	$ 315,438	$ 53,944

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled “PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES” in this report. The proved, probable, and possible developed non-producing reserves included herein consist of the behind pipe status category.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are “estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations.” All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV’s request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between March and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible developed non-producing as well as all of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on September 30, 2022. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, certain gas firm transportation fees, certain NGL fractionation and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Prices	Average Proved Realized Prices	Average Probable Realized Prices	Average Possible Realized Prices
North America						
United States	Oil/Condensate	WTI Cushing	$91.71/bbl	$84.20/bbl	$84.20/bbl	$84.20/bbl
	NGLs	WTI Cushing	$91.71/bbl	$32.40/bbl	$32.40/bbl	$32.40/bbl
	Gas	Henry Hub	$6.127/MMBTU	$5.84/Mcf	$5.87/Mcf	$5.77/Mcf

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gas gathering and transportation costs were included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were accepted as factual data and reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved developed non-producing and proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of September 30, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.10

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHAFFEE CORNERS ASSETS

SEC Parameters

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 20, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chaffee Corners Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on July 8, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study, presented herein, was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Chaffee Corners Assets evaluated by Ryder Scott account for a portion of BKV Corp's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 2 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 1 percent of the total proved, 5 percent of the total probable and 2 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chaffee Corners Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing[1]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	71,515	0	11,972	83,487
Income Data ($M)				
Future Gross Revenue	$ 430,694	$ 0	$ 72,100	$ 502,794
Deductions	76,221	57	22,256	98,534
Future Net Income (FNI)	$ 354,473	$ (57)	$ 49,844	$ 404,260
Discounted FNI @ 10%	$ 169,269	$ (54)	$ 20,393	$ 189,608

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	28,916	8,115
Income Data ($M)		
Future Gross Revenue	$ 174,142	$ 48,873
Deductions	51,861	21,013
Future Net Income (FNI)	$ 122,281	$ 27,860
Discounted FNI @ 10%	$ 40,458	$ 5,512

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 211,968	$ 48,454	$ 7,401
12	$ 171,734	$ 34,212	$ 4,139
15	$ 150,792	$ 27,104	$ 2,720
20	$ 125,920	$ 19,069	$ 1,360

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average price in effect on September 30, 2022. The initial SEC hydrocarbon price was determined using the 12-month average first-day-of-the-month benchmark price appropriate to the geographic area where the hydrocarbons are sold. The benchmark price is prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark price" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark price for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$6.127/MMBTU	$6.02/Mcf	$6.02/Mcf	$6.02/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gathering and transportation fees are included as operating costs. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of September 30, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.11

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHELSEA ASSETS

SEC Parameters

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 20, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chelsea Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on July 8, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study, presented herein, was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Chelsea Assets evaluated by Ryder Scott account for a portion of BKV Corp's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 6 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 14 percent of the total proved, 14 percent of the total probable and 32 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chelsea Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Gas – MMcf	214,790	5,922	165,103	385,815
Income Data ($M)				
Future Gross Revenue	$ 1,181,725	$ 32,879	$ 910,548	$ 2,125,152
Deductions	351,004	11,614	256,493	619,111
Future Net Income (FNI)	$ 830,721	$ 21,265	$ 654,055	$ 1,506,041
Discounted FNI @ 10%	$ 416,386	$ 10,405	$ 270,560	$ 697,351

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	82,468	142,650
Income Data ($M)		
Future Gross Revenue	$ 454,499	$ 782,806
Deductions	140,300	288,815
Future Net Income (FNI)	$ 314,199	$ 493,991
Discounted FNI @ 10%	$ 94,570	$ 106,953

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of September 30, 2022 Total Proved	Total Probable	Total Possible
8	$ 782,903	$ 115,436	$ 139,633
12	$ 628,527	$ 78,455	$ 82,983
15	$ 547,360	$ 60,405	$ 57,845
20	$ 450,260	$ 40,582	$ 33,032

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe status categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average price in effect on September 30, 2022. The initial SEC hydrocarbon price was determined using the 12-month average first-day-of-the-month benchmark price appropriate to the geographic area where the hydrocarbons are sold. The benchmark price is prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark price" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark price for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$6.127/MMBTU	$5.51/Mcf	$5.51/Mcf	$5.49/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gathering and transportation fees are included as operating costs. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of September 30, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

BKV ASSETS

SEC Parameters

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 20, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the BKV Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on July 8, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study, presented herein, was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the BKV Assets evaluated by Ryder Scott account for a portion of BKV Corp's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 7 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net gas reserves, 0 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 17 percent of the total proved, 10 percent of the total probable and 21 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
BKV Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Gas – MMcf	247,934	15,858	192,008	455,800
Income Data ($M)				
Future Gross Revenue	$ 1,371,156	$ 88,039	$ 1,065,233	$ 2,524,428
Deductions	397,051	31,694	324,742	753,487
Future Net Income (FNI)	$ 974,105	$ 56,345	$ 740,491	$ 1,770,941
Discounted FNI @ 10%	$ 506,051	$ 27,506	$ 307,777	$ 841,334

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	56,630	93,339
Income Data ($M)		
Future Gross Revenue	$ 313,789	$ 512,059
Deductions	104,428	189,641
Future Net Income (FNI)	$ 209,361	$ 322,418
Discounted FNI @ 10%	$ 60,190	$ 69,668

All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. Certain gas processing costs are displayed in the cash flows as “Other” deductions. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of September 30, 2022 Total Proved	Total Probable	Total Possible
8	$ 940,110	$ 74,244	$ 90,995
12	$ 761,716	$ 49,384	$ 54,030
15	$ 667,605	$ 37,365	$ 37,637
20	$ 554,663	$ 24,337	$ 21,470

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe status categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the “as of date” of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average price in effect on September 30, 2022. The initial SEC hydrocarbon price was determined using the 12-month average first-day-of-the-month benchmark price appropriate to the geographic area where the hydrocarbons are sold. The benchmark price is prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark price" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the net volume weighted benchmark price adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Proved Realized Price	Average Probable Realized Price	Average Possible Realized Price
North America	Gas	Henry Hub	$6.127/MMBTU	$5.54/Mcf	$5.54/Mcf	$5.49/Mcf

The effects of derivative instruments designated as price hedges of gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gathering and transportation fees are included as operating costs. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of September 30, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/23/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.13

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

XTO AQUISITION ASSETS

SEC Parameters

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 20, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved and probable reserves, future production and income attributable to certain leasehold and royalty interests of BKV Corp. (BKV) as of September 30, 2022. The subject properties were recently acquired from XTO Energy Inc. (XTO) and are located in the Barnett Shale play of Texas, referred to herein as Project Europa. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). This report is a mechanical roll-forward of our initial report that was evaluated as of February 1, 2022 and published on May 18, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study, presented herein, was prepared for public disclosure by BKV in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Project Europa evaluated by Ryder Scott account for a portion of BKV Corp's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 11 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible developed net liquid hydrocarbon reserves, 29 percent of the total proved, 2 percent of the total probable and 0 percent of the total possible developed net gas reserves, 10 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 18 percent of the total proved, 0 percent of the total probable and 0 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, as required by the SEC regulations. Actual future prices may vary considerably from the prices that were used in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SEC PRICE AND CONSTANT COST PARAMETERS
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests
BKV Corp.
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	197	0	60	257
Plant Products – Mbbl	19,376	0	4,159	23,535
Gas – MMcf	999,853	133,852	202,758	1,336,463
Income Data ($M)				
Future Gross Revenue	$ 5,422,217	$ 667,070	$ 1,125,468	$ 7,214,755
Deductions	1,667,662	167,951	297,587	2,133,200
Future Net Income (FNI)	$ 3,754,555	$ 499,119	$ 827,881	$ 5,081,555
Discounted FNI @ 10%	$ 1,717,404	$ 170,591	$ 295,216	$ 2,183,211

	Total Probable Non-Producing
Net Reserves	
Oil/Condensate – Mbbl	0
Plant Products – Mbbl	0
Gas – MMcf	6,164
Income Data ($M)	
Future Gross Revenue	$ 31,266
Deductions	7,908
Future Net Income (FNI)	$ 23,358
Discounted FNI @ 10%	$ 6,083

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. All gas reserves volumes are reported on an “as sold” basis. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, recompletion and development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 91 percent and liquid hydrocarbon reserves account for the remaining 9 percent of total future gross revenue from proved reserves. Gas reserves account for 100 percent of total future gross revenue from probable reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022	
Discount Rate Percent	Total Proved	Total Probable
8	$ 2,476,132	$ 7,584
12	$ 1,950,903	$ 4,947
15	$ 1,681,228	$ 3,701
20	$ 1,365,541	$ 2,371

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved and probable reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS and GUIDELINES" in this report. The developed proved and probable non-producing reserves included herein consist of the behind pipe status category.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved and probable gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved and probable reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of risk associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved and probable reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved and probable reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through December 2021 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved and probable non-producing as well as all of the proved undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically recoverable proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved and probable production and income, we have relied upon data furnished by BKV with respect to property interests acquired, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, recompletion and development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved and probable reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved and probable reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period.

We furnished BKV with the above mentioned average prices in effect on September 30, 2022. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for the geographic area included in the report.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves by reserves category for the geographic area and presented in accordance with SEC disclosure requirements for the geographic area included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Prices	Average Proved Realized Prices	Average Probable Realized Prices
North America					
United States	Oil/Condensate	WTI Cushing	$91.71/bbl	$86.51/bbl	N/A
	NGLs	WTI Cushing	$91.71/bbl	$27.93/bbl	N/A
	Gas	Henry Hub	$6.127/MMBTU	$5.06/Mcf	$5.23/Mcf

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of XTO and include only those costs directly applicable to the leases or wells. The operating costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the operating cost data used by BKV. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved and probable developed non-producing and proved undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans. While these plans could change from those under existing economic conditions as of September 30, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.14

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

BARNETT ASSETS

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700
DENVER, COLORADO 80202
TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold and royalty interests of BKV Corp. (BKV) referred to as the Barnett Assets as of September 30, 2022. The subject properties are located in the state of Texas. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations); except that they were based on varying price and constant cost assumptions provided by BKV. This pricing scenario is considered an "Alternate Pricing Scheme" in accordance with the above referenced Final Rule, Section II, Item B, Paragraph 3. Such forecasts were based on projected escalations or other forward-looking changes to current prices as noted. This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on August 16, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study presented herein was prepared for public disclosure by BKV, as an alternate pricing scheme, in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Barnett Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 89 percent of the total proved, 100 percent of the total probable and 100 percent of the total possible developed net liquid hydrocarbon reserves, 56 percent of the total proved, 98 percent of the total probable and 100 percent of the total possible developed net gas reserves, 90 percent of the total proved, 100 percent of the total probable and 100 percent of the total possible undeveloped net liquid hydrocarbon reserves, and 50 percent of the total proved, 72 percent of the total probable and 42 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX price assumptions as of September 30, 2022 provided by BKV and are explained in more detail later in this report. As a result of both economic and political forces, there is substantial uncertainty regarding the forecasting of future hydrocarbon prices. Consequently, actual future prices may vary considerably from the prices assumed in this report. The recoverable reserves

1100 LOUISIANA, SUITE 4600 HOUSTON, TEXAS 77002-5294 TEL (713) 651-9191 FAX (713) 651-0849
SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799

volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

SEC PARAMETERS (NYMEX Alternate Pricing Scheme)
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corp.
Barnett Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	774	103	560	1,437
Plant Products – Mbbl	135,148	13,861	38,737	187,746
Gas – MMcf	1,816,188	233,699	568,618	2,618,505
Income Data ($M)				
Future Gross Revenue	$ 9,745,748	$ 1,168,708	$ 3,074,765	$ 13,989,221
Deductions	4,331,646	495,392	1,536,719	6,363,757

Future Net Income (FNI)	$ 5,414,102	$ 673,316	$ 1,538,046	$ 7,625,464
Discounted FNI @ 10%	$ 2,695,393	$ 203,151	$ 496,258	$ 3,394,802

	Probable		
	Developed Non-Producing	Undeveloped	Total Probable
Net Reserves			
Oil/Condensate – Mbbl	0	1,605	1,605
Plant Products – Mbbl	25,819	40,845	66,664
Gas – MMcf	343,177	409,947	753,124
Income Data ($M)			
Future Gross Revenue	$ 1,760,910	$ 2,398,809	$ 4,159,719
Deductions	788,668	1,376,662	2,165,330
Future Net Income (FNI)	$ 972,242	$ 1,022,147	$ 1,994,389
Discounted FNI @ 10%	$ 164,450	$ 161,417	$ 325,867

	Possible		
	Developed Non-Producing	Undeveloped	Total Possible
Net Reserves			
Oil/Condensate – Mbbl	0	1,128	1,128
Plant Products – Mbbl	9,999	20,700	30,699
Gas – MMcf	105,234	172,526	277,760
Income Data ($M)			
Future Gross Revenue	$ 575,411	$ 1,070,437	$ 1,645,848
Deductions	238,801	711,056	949,857
Future Net Income (FNI)	$ 336,610	$ 359,381	$ 695,991
Discounted FNI @ 10%	$ 43,617	$ 19,663	$ 63,280

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are reported on an “as sold basis” expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 75 percent and liquid hydrocarbon reserves account for the remaining 25 percent of total future gross revenue from proved reserves. Gas reserves account for approximately 71 percent and liquid hydrocarbon reserves account for the remaining 29 percent of total future gross revenue from probable reserves. Gas reserves account for approximately 65 percent and liquid hydrocarbon reserves account for the remaining 35 percent of total future gross revenue from possible reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of September 30, 2022 Total Proved	Total Probable	Total Possible
8	$ 3,818,217	$ 449,326	$ 100,474
12	$ 3,058,891	$ 238,453	$ 39,456
15	$ 2,668,448	$ 150,349	$ 18,447
20	$ 2,210,030	$ 68,505	$ 3,093

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved, probable and possible developed non-producing reserves included herein consist of the behind pipe status category.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered." Probable reserves are "those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." Possible reserves are "those additional reserves which are less certain to be recovered than probable reserves" and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of uncertainty associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on NYMEX pricing and constant cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters as prescribed by the SEC guidelines.

BKV's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing**,** the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between March and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible developed non-producing as well as all of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically producible proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and the pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously, are based on pricing and cost parameters provided by and requested to be used by BKV.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, development costs, development plans, abandonment costs after salvage, product price assumptions based on NYMEX pricing, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters used in this report, based on NYMEX Futures Strip prices, were specified by BKV and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons. Gas prices may be subject to seasonal variations and other factors and may lead to periodic curtailments by both buyers and sellers.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, certain NGL fractionation and transportation fees, and/or distance from market, referred to herein as “differentials.” The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the annual net volume weighted benchmark prices adjusted for differentials and referred to herein as the “average realized prices.” The average realized prices shown in the table below were determined from the annual total future gross revenue before production taxes and the total net reserves, by reserves category for these properties.

Geographic Area	AVERAGE BENCHMARK PRICES		AVERAGE REALIZED PRICES									
			Proved			Probable			Possible		
United States	WTI - Cushing	Henry Hub	Oil/Cond	Plant Products	Gas	Oil/Cond	Plant Products	Gas	Oil/Cond	Plant Products	Gas
Year	$/Bbl	$/MMBtu	$/Bbl	$/Bbl	$/Mcf	$/Bbl	$/Bbl	$/Mcf	$/Bbl	$/Bbl	$/Mcf
2022 (3 mos)	$ 79.11	$ 6.83	$ 71.60	$ 27.36	$ 6.51	N/A	N/A	N/A	N/A	N/A	N/A
2023	$ 73.06	$ 5.44	$ 65.55	$ 24.94	$ 5.10	N/A	N/A	N/A	N/A	N/A	N/A
2024	$ 67.08	$ 4.74	$ 59.57	$ 22.55	$ 4.41	N/A	N/A	N/A	N/A	N/A	N/A
2025	$ 63.57	$ 4.58	$ 56.06	$ 21.15	$ 4.26	N/A	N/A	N/A	N/A	N/A	N/A
2026	$ 60.97	$ 4.45	$ 53.46	$ 20.11	$ 4.15	N/A	N/A	N/A	N/A	N/A	N/A
2027	$ 58.80	$ 4.32	$ 51.29	$ 19.24	$ 4.01	$ 51.29	$ 19.24	$ 4.19	N/A	N/A	N/A
2028	$ 56.85	$ 4.35	$ 49.34	$ 18.46	$ 4.04	$ 49.34	$ 18.46	$ 4.08	N/A	N/A	N/A
2029	$ 55.22	$ 4.40	$ 47.71	$ 17.81	$ 4.08	$ 47.71	$ 17.81	$ 4.13	N/A	N/A	N/A
2030+	$ 55.41	$ 4.41	$ 47.90	$ 17.88	$ 4.08	$ 47.90	$ 17.88	$ 4.09	$ 47.90	$ 17.88	$ 4.04
Total Future Average Prices			$ 52.32	$ 19.11	$ 4.20	$ 47.96	$ 17.91	$ 4.10	$ 47.90	$ 17.88	$ 4.04

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gas gathering and transportation costs were included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were accepted as factual data and reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved developed non-producing and proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV. This report was based on forward looking price and cost forecasts and may be filed as an additional pricing scenario to the SEC constant prices and costs case according to SEC guidelines.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

COLORADO LICENSED
STEPHEN E. GARDNER
S.E.G.
44720
10/28/2022
PROFESSIONAL ENGINEER

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be*

estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.

Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1)completion intervals that are open at the time of the estimate but which have not yet started producing;
(2)wells which were shut-in for market conditions or pipeline connections; or
(3)wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.15

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHAFFEE CORNERS ASSETS

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700

DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chaffee Corners Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations); except that they were based on varying price and constant cost assumptions provided by BKV. This pricing scenario is considered an "Alternate Pricing Scheme" in accordance with the above referenced Final Rule, Section II, Item B, Paragraph 3. Such forecasts were based on projected escalations or other forward-looking changes to current prices as noted. This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on August 16, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study presented herein, was prepared for public disclosure by BKV, as an alternate pricing scheme, in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Chaffee Corners Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses zero percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net liquid hydrocarbon reserves, 2 percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net gas reserves, zero percent of the total proved, zero percent of the total probable and zero percent of the total possible undeveloped net liquid hydrocarbon reserves, and 1 percent of the total proved, 5 percent of the total probable and 2 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX price assumptions as of September 30, 2022 provided by BKV and are explained in more detail later in this report. As a result of both economic and political forces, there is substantial uncertainty regarding the forecasting of future hydrocarbon prices. Consequently, actual future prices may vary considerably from the prices assumed in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

1100 LOUISIANA, SUITE 4600 HOUSTON, TEXAS 77002-5294 TEL (713) 651-9191 FAX (713) 651-0849
SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799

SEC PARAMETERS (NYMEX Alternate Pricing Scheme)
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chaffee Corners Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing[1]	Undeveloped	Proved
Net Reserves				
Gas – MMcf	70,340	0	11,900	82,240
Income Data ($M)				
Future Gross Revenue	$ 311,024	$ 0	$ 52,604	$ 363,628
Deductions	70,406	57	21,912	92,375
Future Net Income (FNI)	$ 240,618	$ (57)	$ 30,692	$ 271,253

Discounted FNI @ 10%	$ 124,750	$ (54)	$ 11,867	$ 136,563

(1) Negative values for Future Net Income and Discounted FNI are due to abandonment liability.

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	28,848	8,012
Income Data ($M)		
Future Gross Revenue	$ 123,258	$ 34,078
Deductions	51,543	20,524
Future Net Income (FNI)	$ 71,715	$ 13,554
Discounted FNI @ 10%	$ 21,258	$ 1,696

All gas volumes are reported on an "as sold basis" expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 151,282	$ 26,225	$ 2,654
12	$ 124,677	$ 17,403	$ 1,029
15	$ 110,613	$ 13,065	$ 383
20	$ 93,716	$ 8,260	$ (154)

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The negative values of future net income and discounted FNI shown in the proved developed non-producing category comprise shut-in wells with only an abandonment liability.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are “estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations.” All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV’s request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are “those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward.” The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a “high degree of confidence that the quantities will be recovered.” Probable reserves are “those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” Possible reserves are “those additional reserves which are less certain to be recovered than probable reserves” and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of uncertainty associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that “as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.” Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on NYMEX pricing and constant cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters as prescribed by the SEC guidelines.

BKV’s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing**,** the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission’s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves

relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the “quantities actually recovered are much more likely to be achieved than not.” The SEC states that “probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.” The SEC states that “possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves.” All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically producible proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and the pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously, are based on pricing and cost parameters provided by and requested to be used by BKV.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product price assumptions based on NYMEX pricing, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters used in this report, based on NYMEX Futures Strip prices, were specified by BKV and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons. Gas prices may be subject to seasonal variations and other factors and may lead to periodic curtailments by both buyers and sellers.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, and/or distance from market, referred to herein as “differentials.” The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the annual net volume weighted benchmark prices adjusted for differentials and referred to herein as the “average realized prices.” The average realized prices shown in the table below were determined from the annual total future gross revenue before production taxes and the total net reserves, by reserves category for these properties.

		AVERAGE REALIZED PRICES		
Geographic Area	AVERAGE BENCHMARK PRICES	Proved	Probable	Possible
United States	Henry Hub	Gas	Gas	Gas
Year	$/MMBtu	$/Mcf	$/Mcf	$/Mcf
2022 (3mos)	$ 6.83	$ 6.75	N/A	N/A
2023	$ 5.44	$ 5.31	$ 5.31	N/A
2024	$ 4.74	$ 4.59	$ 4.59	N/A
2025	$ 4.58	$ 4.43	$ 4.43	N/A
2026	$ 4.45	$ 4.30	$ 4.30	N/A
2027	$ 4.32	$ 4.16	$ 4.16	N/A
2028	$ 4.35	$ 4.19	$ 4.19	N/A
2029	$ 4.40	$ 4.24	$ 4.24	$ 4.24
2030+	$ 4.41	$ 4.25	$ 4.25	$ 4.25
	Total Future Average Prices	$ 4.42	$ 4.27	$ 4.25

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gathering and transportation fees are included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV’s plans to develop

these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV. This report was based on forward looking price and cost forecasts and may be filed as an additional pricing scenario to the SEC constant prices and costs case according to SEC guidelines.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.

Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may

be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1)completion intervals that are open at the time of the estimate but which have not yet started producing;

(2)wells which were shut-in for market conditions or pipeline connections; or

(3)wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 99.16

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

CHELSEA ASSETS

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700

DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the Chelsea Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations); except that they were based on varying price and constant cost assumptions provided by BKV. This pricing scenario is considered an "Alternate Pricing Scheme" in accordance with the above referenced Final Rule, Section II, Item B, Paragraph 3. Such forecasts were based on projected escalations or other forward-looking changes to current prices as noted. This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on August 16, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study presented herein was prepared for public disclosure by BKV, as an alternate pricing scheme, in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the Chelsea Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses zero percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net liquid hydrocarbon reserves, 6 percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net gas reserves, zero percent of the total proved, zero percent of the total probable and zero percent of the total possible undeveloped net liquid hydrocarbon reserves, and 14 percent of the total proved, 14 percent of the total probable and 34 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX price assumptions as of September 30, 2022 provided by BKV and are explained in more detail later in this report. As a result of both economic and political forces, there is substantial uncertainty regarding the forecasting of future hydrocarbon prices. Consequently, actual future prices may vary considerably from the prices assumed in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

1100 LOUISIANA, SUITE 4600 HOUSTON, TEXAS 77002-5294 TEL (713) 651-9191 FAX (713) 651-0849
SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799

SEC PARAMETERS (NYMEX Alternate Pricing Scheme)
Estimated Net Reserves and Income Data
Certain Leasehold Interests of
BKV Corp.
Chelsea Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Gas – MMcf	206,717	5,796	165,002	377,515
Income Data ($M)				
Future Gross Revenue	$ 810,612	$ 22,767	$ 627,782	$ 1,461,161
Deductions	314,626	11,043	256,055	581,724
Future Net Income (FNI)	$ 495,986	$ 11,724	$ 371,727	$ 879,437
Discounted FNI @ 10%	$ 280,496	$ 5,887	$ 146,927	$ 433,310

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	81,808	142,517
Income Data ($M)		
Future Gross Revenue	$ 306,396	$ 530,983
Deductions	138,210	288,291
Future Net Income (FNI)	$ 168,186	$ 242,692
Discounted FNI @ 10%	$ 45,273	$ 45,069

All gas volumes are reported on an "as sold basis" expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 482,620	$ 56,804	$ 61,187
12	$ 393,310	$ 36,475	$ 33,516
15	$ 345,794	$ 26,789	$ 21,780
20	$ 288,530	$ 16,462	$ 10,834

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe status categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative

degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered." Probable reserves are "those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." Possible reserves are "those additional reserves which are less certain to be recovered than probable reserves" and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of uncertainty associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on NYMEX pricing and constant cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters as prescribed by the SEC guidelines.

BKV's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing**,** the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of

possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically producible proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and the pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously, are based on pricing and cost parameters provided by and requested to be used by BKV.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product price assumptions based on NYMEX pricing, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the "SEC Regulations." In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters used in this report, based on NYMEX Futures Strip prices, were specified by BKV and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons. Gas prices may be subject to seasonal variations and other factors and may lead to periodic curtailments by both buyers and sellers.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the annual net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the annual total future gross revenue before production taxes and the total net reserves, by reserves category for these properties.

		AVERAGE REALIZED PRICES		
Geographic Area	AVERAGE BENCHMARK PRICES	Proved	Probable	Possible
United States	Henry Hub	Gas	Gas	Gas
Year	$/MMBtu	$/Mcf	$/Mcf	$/Mcf
2022 (3 mos)	$ 6.83	$ 6.23	N/A	N/A
2023	$ 5.44	$ 4.80	N/A	N/A
2024	$ 4.74	$ 4.08	$ 4.07	N/A
2025	$ 4.58	$ 3.92	$ 3.91	N/A
2026	$ 4.45	$ 3.79	$ 3.78	N/A
2027	$ 4.32	$ 3.66	$ 3.64	N/A
2028	$ 4.35	$ 3.69	$ 3.69	N/A
2029	$ 4.40	$ 3.74	$ 3.74	$ 3.72
2030+	$ 4.41	$ 3.75	$ 3.75	$ 3.73
	Total Future Average Prices	$ 3.87	$ 3.75	$ 3.73

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gathering and transportation fees are included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by BKV to determine these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV. This report was based on forward looking price and cost forecasts and may be filed as an additional pricing scenario to the SEC constant prices and costs case according to SEC guidelines.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples

of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.

Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;

(2) wells which were shut-in for market conditions or pipeline connections; or

(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion

before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i)Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii)Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

BKV ASSETS

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700

DENVER, COLORADO 80202

TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved, probable and possible reserves, future production, and income attributable to certain leasehold interests of BKV Corp. (BKV) referred to as the BKV Assets as of September 30, 2022. The subject properties are located in the state of Pennsylvania. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations); except that they were based on varying price and constant cost assumptions provided by BKV. This pricing scenario is considered an "Alternate Pricing Scheme" in accordance with the above referenced Final Rule, Section II, Item B, Paragraph 3. Such forecasts were based on projected escalations or other forward-looking changes to current prices as noted. This report is a mechanical roll-forward of our initial report that was evaluated as of June 30, 2022 and published on August 16, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study presented herein was prepared for public disclosure by BKV, as an alternate pricing scheme, in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as the BKV Assets evaluated by Ryder Scott account for a portion of BKV's total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses zero percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net liquid hydrocarbon reserves, 7 percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net gas reserves, zero percent of the total proved, zero percent of the total probable and zero percent of the total possible undeveloped net liquid hydrocarbon reserves, and 17 percent of the total proved, 9 percent of the total probable and 22 percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX price assumptions as of September 30, 2022 provided by BKV and are explained in more detail later in this report. As a result of both economic and political forces, there is substantial uncertainty regarding the forecasting of future hydrocarbon prices. Consequently, actual future prices may vary considerably from the prices assumed in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

1100 LOUISIANA, SUITE 4600 HOUSTON, TEXAS 77002-5294 TEL (713) 651-9191 FAX (713) 651-0849
SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799

SEC PARAMETERS (NYMEX Alternate Pricing Scheme)
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corp.
BKV Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Gas – MMcf	240,249	15,491	191,504	447,244
Income Data ($M)				
Future Gross Revenue	$ 958,932	$ 60,973	$ 736,197	$ 1,756,102
Deductions	362,104	30,041	322,511	714,656
Future Net Income (FNI)	$ 596,828	$ 30,932	$ 413,686	$ 1,041,446
Discounted FNI @ 10%	$ 349,816	$ 15,611	$ 165,029	$ 530,456

	Total Probable Undeveloped	Total Possible Undeveloped
Net Reserves		
Gas – MMcf	53,344	93,254
Income Data ($M)		

Future Gross Revenue	$ 201,250	$ 347,305
Deductions	94,042	189,308
Future Net Income (FNI)	$ 107,208	$ 157,997
Discounted FNI @ 10%	$ 27,899	$ 29,279

All gas volumes are reported on an "as sold basis" expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes, but in the state of Pennsylvania, these taxes are zero. The deductions incorporate the normal direct costs of operating the wells, the Pennsylvania Impact Fee (presented herein as ad valorem taxes), development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for 100 percent of the total future gross revenue from the proved, probable, and possible reserves reported herein.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 587,111	$ 35,201	$ 39,768
12	$ 484,433	$ 22,362	$ 21,766
15	$ 429,667	$ 16,314	$ 14,138
20	$ 363,489	$ 9,957	$ 7,030

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved, probable and possible reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe status categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved, probable and possible gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty

depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved, probable and possible reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered." Probable reserves are "those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." Possible reserves are "those additional reserves which are less certain to be recovered than probable reserves" and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of uncertainty associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved, probable and possible reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on NYMEX pricing and constant cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters as prescribed by the SEC guidelines.

BKV's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing**,** the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as

changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved, probable and possible reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data ending between April and June 2022, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved developed non-producing as well as all of the proved, probable, and possible undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically producible proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and the pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously, are based on pricing and cost parameters provided by and requested to be used by BKV.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, the Pennsylvania Impact Fee, development costs, development plans, abandonment costs after salvage, product price assumptions based on NYMEX pricing, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved, probable and possible reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the “SEC Regulations.” In our opinion, the proved, probable and possible reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters used in this report, based on NYMEX Futures Strip prices, were specified by BKV and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons. Gas prices may be subject to seasonal variations and other factors and may lead to periodic curtailments by both buyers and sellers.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the annual net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the annual total future gross revenue before production taxes and the total net reserves, by reserves category for these properties.

		AVERAGE REALIZED PRICES		
Geographic Area	AVERAGE BENCHMARK PRICES	Proved	Probable	Possible
United States	Henry Hub	Gas	Gas	Gas
Year	$/MMBtu	$/Mcf	$/Mcf	$/Mcf
2022 (3 mos)	$ 6.83	$ 6.26	N/A	N/A
2023	$ 5.44	$ 4.84	N/A	N/A
2024	$ 4.74	$ 4.12	N/A	N/A
2025	$ 4.58	$ 3.95	N/A	N/A
2026	$ 4.45	$ 3.82	N/A	N/A
2027	$ 4.32	$ 3.69	N/A	N/A
2028	$ 4.35	$ 3.72	$ 3.73	N/A
2029	$ 4.40	$ 3.77	$ 3.77	$ 3.71
2030+	$ 4.41	$ 3.78	$ 3.78	$ 3.72
	Total Future Average Prices	$ 3.93	$ 3.77	$ 3.72

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of BKV and include only those costs directly applicable to the leases or wells. Certain gas gathering and transportation costs were included as operating expenses. The operating costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved, probable, and possible undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form

of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV. This report was based on forward looking price and cost forecasts and may be filed as an additional pricing scenario to the SEC constant prices and costs case according to SEC guidelines.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of

continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and*

financing required to implement the project.

Note to paragraph (a)(26): *Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).*

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.

Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

POSSIBLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(17) defines possible oil and gas reserves as follows:

Possible reserves. *Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.*

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

BKV CORP.

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

XTO AQUISITION ASSETS

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of

September 30, 2022

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

BKV CORP.

TABLE OF CONTENTS

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700

DENVER, COLORADO 80202

TELEPHONE (303) 339-8110

October 21, 2022

BKV Corp.
1200 17th Street, Suite 1850
Denver, CO 80202

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved and probable reserves, future production, and income attributable to certain leasehold and royalty interests of BKV Corp. (BKV) as of September 30, 2022. The subject properties were recently acquired from XTO Energy Inc. (XTO) and are located in the Barnett Shale Play of Texas, referred to herein as Project Europa. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations); except that they were based on varying price and constant cost assumptions provided by BKV. This pricing scenario is considered an “Alternate Pricing Scheme” in accordance with the above referenced Final Rule, Section II, Item B, Paragraph 3. Such forecasts were based on projected escalations or other forward-looking changes to current prices as noted. This report is a mechanical roll-forward of our initial report that was evaluated as of February 1, 2022 and published on May 20, 2022. No additional production data or cost data were considered since our prior evaluation, and this report includes the same volume projections and cost assumptions as previously, except that the effective date here is shifted forward to September 30, 2022. BKV has not informed Ryder Scott, and we are not aware, of any significant changes that would materially alter our projections or reserve assignments. Our third party study presented herein was prepared for public disclosure by BKV, as an alternate pricing scheme, in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties referred to as Project Europa evaluated by Ryder Scott account for a portion of BKV’s total net proved, probable and possible reserves as of September 30, 2022. Based on information provided by BKV, the third party estimate conducted by Ryder Scott addresses 11 percent of the total proved, zero percent of the total probable and zero percent of the total possible developed net liquid hydrocarbon reserves, 29 percent of the total proved, 2 percent of the total probable and zero percent of the total possible developed net gas reserves, 10 percent of the total proved, zero percent of the total probable and zero percent of the total possible undeveloped net liquid hydrocarbon reserves, and 18 percent of the total proved, zero percent of the total probable and zero percent of the total possible undeveloped net gas reserves of BKV.

The estimated reserves and future net income amounts presented in this report, as of September 30, 2022 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX price assumptions as of September 30, 2022 provided by BKV and are explained in more detail later in this report. As a result of both economic and political forces, there is substantial uncertainty regarding the forecasting of future hydrocarbon prices. Consequently, actual future prices may vary considerably from the prices assumed in this report. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized below.

1100 LOUISIANA, SUITE 4600 HOUSTON, TEXAS 77002-5294 TEL (713) 651-9191 FAX (713) 651-0849
SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799

SEC PARAMETERS (NYMEX Alternate Pricing Scheme)
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corp.
XTO Acquisition Assets
As of September 30, 2022

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				

Oil/Condensate – Mbbl	181	0	61	242
Plant Products – Mbbl	18,250	0	4,158	22,408
Gas – MMcf	941,715	133,853	202,758	1,278,326
Income Data ($M)				
Future Gross Revenue	$ 3,476,077	$ 448,851	$ 748,900	$ 4,673,828
Deductions	1,367,485	162,714	288,549	1,818,748
Future Net Income (FNI)	$ 2,108,592	$ 286,137	$ 460,351	$ 2,855,080
Discounted FNI @ 10%	$ 1,091,131	$ 80,595	$ 139,842	$ 1,311,568

	Total Probable Developed Non-Producing
Net Reserves	
Oil/Condensate – Mbbl	0
Plant Products – Mbbl	0
Gas – MMcf	6,164
Income Data ($M)	
Future Gross Revenue	$ 20,708
Deductions	7,654
Future Net Income (FNI)	$ 13,054
Discounted FNI @ 10%	$ 2,626

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). All gas volumes are reported on an "as sold basis" expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas volumes are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIES™ Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of BKV. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, recompletion and development costs, and certain abandonment costs net of salvage. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Gas reserves account for approximately 91 percent and liquid hydrocarbon reserves account for the remaining 9 percent of total future gross revenue from proved reserves. Gas reserves account for 100 percent of total future gross revenue from probable reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

	Discounted Future Net Income ($M) As of September 30, 2022	
Discount Rate Percent	Total Proved	Total Probable
8	$ 1,474,945	$ 3,474
12	$ 1,180,737	$ 2,003
15	$ 1,027,552	$ 1,345
20	$ 846,659	$ 686

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved and probable reserves included herein conform to the definitions as set forth in the Securities and Exchange Commission's Regulations

Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved and probable developed non-producing reserves included herein consist of the behind pipe status category.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. The proved and probable gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At BKV's request, this report addresses the proved and probable reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered." Probable reserves are "those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." Possible reserves are "those additional reserves which are less certain to be recovered than probable reserves" and thus the probability of achieving or exceeding the proved plus probable plus possible reserves is low.

The reserves included herein were estimated using deterministic methods and are presented as incremental quantities. Under the deterministic incremental approach, discrete quantities of reserves are estimated and assigned separately as proved, probable or possible based on their individual level of uncertainty. Because of the differences in uncertainty, caution should be exercised when aggregating quantities of oil and gas from different reserves categories. Furthermore, the reserves and income quantities attributable to the different reserves categories that are included herein have not been adjusted to reflect these varying degrees of uncertainty associated with them and thus are not comparable.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved, probable and possible reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved and probable reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on NYMEX pricing and constant cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters as prescribed by the SEC guidelines.

BKV's operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing**,** the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of reserves actually recovered and amounts of income actually received to differ significantly from the estimated quantities.

The estimates of reserves presented herein were based upon a detailed study of the properties in which BKV owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs

included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved and probable reserves for the properties included herein were estimated by performance methods or analogy. All of the proved reserves attributable to producing wells and/or reservoirs were estimated by decline curve analysis, a performance method which utilized extrapolations of historical production and pressure data available through December 2021 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

All of the proved and probable developed non-producing as well as all of the proved undeveloped reserves included herein were estimated by analogy. The data utilized from the analogues were furnished to Ryder Scott by BKV or obtained from public data sources and were considered sufficient for the purpose thereof.

To estimate economically producible proved, probable and possible oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and the pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved, probable and possible reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously, are based on pricing and cost parameters provided by and requested to be used by BKV.

BKV has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved, probable and possible production and income, we have relied upon data furnished by BKV with respect to property interests acquired, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad valorem and production taxes, recompletion and development costs, development plans, abandonment costs after salvage, product price assumptions based on NYMEX pricing, adjustments or differentials to product prices, and base maps. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by BKV. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved and probable reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the "SEC Regulations." In our opinion, the proved and probable reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For the producing wells included herein, our forecasts of future production rates and decline trends are based on the historical performance data of

each well.

The initial performance of analogous wells was used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by BKV. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, well completions, and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters used in this report, based on NYMEX Futures Strip prices, were specified by BKV and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons. Gas prices may be subject to seasonal variations and other factors and may lead to periodic curtailments by both buyers and sellers.

The product prices which were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, certain NGL fractionation and transportation fees, and/or distance from market, referred to herein as “differentials.” The differentials used in the preparation of this report were furnished to us by BKV. The differentials furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose.

In addition, the table below summarizes the annual net volume weighted benchmark prices adjusted for differentials and referred to herein as the “average realized prices.” The average realized prices shown in the table below were determined from the annual total future gross revenue before production taxes and the total net reserves, by reserves category for these properties.

Geographic Area	AVERAGE BENCHMARK PRICES		AVERAGE REALIZED PRICES					
			Proved			Probable		
United States Year	WTI - Cushing $/Bbl	Henry Hub $/MMBtu	Oil/Cond $/Bbl	Plant Products $/Bbl	Gas $/Mcf	Oil/Cond $/Bbl	Plant Products $/Bbl	Gas $/Mcf
2022 (3 mos)	$ 79.11	$ 6.83	$ 73.91	$ 24.09	$ 5.43	N/A	N/A	N/A
2023	$ 73.06	$ 5.44	$ 67.86	$ 22.25	$ 4.05	N/A	N/A	N/A
2024	$ 67.08	$ 4.74	$ 61.85	$ 20.43	$ 3.39	N/A	N/A	N/A
2025	$ 63.57	$ 4.58	$ 58.31	$ 19.36	$ 3.25	N/A	N/A	N/A
2026	$ 60.97	$ 4.45	$ 55.73	$ 18.57	$ 3.12	N/A	N/A	N/A
2027	$ 58.80	$ 4.32	$ 53.57	$ 17.91	$ 3.35	N/A	N/A	$ 3.39
2028	$ 56.85	$ 4.35	$ 51.63	$ 17.32	$ 3.37	N/A	N/A	$ 3.42
2029	$ 55.22	$ 4.40	$ 50.00	$ 16.82	$ 3.42	N/A	N/A	$ 3.47
2030+	$ 55.41	$ 4.41	$ 50.20	$ 16.88	$ 3.42	N/A	N/A	$ 3.48
Total Future Average Prices			$ 53.64	$ 17.85	$ 3.45	N/A	N/A	$ 3.46

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by BKV and are based on the operating expense reports of XTO and include only

those costs directly applicable to the leases or wells. The operating costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the operating cost data used by BKV. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

Development costs were furnished to us by BKV and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished by BKV were reviewed by us for their reasonableness using information furnished by BKV for this purpose. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification.

The proved and probable developed non-producing and proved undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of September 30, 2022. The implementation of BKV's development plans as presented to us and incorporated herein is subject to the approval process adopted by BKV's management. As the result of our inquiries during the course of preparing this report, BKV has informed us that the development activities included herein have been subjected to and received the internal approvals required by BKV's management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to BKV. BKV has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, BKV has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by BKV were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to BKV. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by BKV. This report was based on forward looking price and cost forecasts and may be filed as an additional pricing scenario to the SEC constant prices and costs case according to SEC guidelines.

For filings made with the SEC under the 1933 securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by BKV. Our consent for such use is included as a separate exhibit to the filings made with the SEC by BKV.

We have provided BKV with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by BKV and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (LPC)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Mr. Stephen E. Gardner is the primary technical person responsible for the estimate of the reserves, future production and income.

Mr. Gardner, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2006, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Gardner served in a number of engineering positions with Exxon Mobil Corporation. For more information regarding Mr. Gardner's geographic and job specific experience, please refer to the Ryder Scott Company website at https://ryderscott.com/employees/denver-employees.

Mr. Gardner earned a Bachelor of Science degree in Mechanical Engineering from Brigham Young University in 2001 (summa cum laude). He is a licensed Professional Engineer in the States of Colorado and Texas. Mr. Gardner is a member of the Society of Petroleum Engineers and a former chairperson of the Society of Petroleum Evaluation Engineers for the Denver Chapter. He also currently serves on the latter organization's board of directors at the international level.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of 15 hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Gardner fulfills. As part of his 2021 continuing education hours, Mr. Gardner attended the annual Ryder Scott Reserves Conference, which covered a variety of reserves topics including analysis techniques for unconventional reservoirs, ESG issues, reserves definitions and guidelines, SEC comment letter trends, and others. In addition, Mr. Gardner participated in various SPE and SPEE technical seminars, and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, regulatory issues, greenhouse gas management, and more.

Based on his educational background, professional training and more than 16 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Gardner has attained the professional qualifications as a Reserves Estimator set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to

Regulation S-X and Regulation S-K, shall be referred to herein collectively as the “SEC regulations”. The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PROBABLE RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(18) defines probable oil and gas reserves as follows:

Probable reserves. *Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.*

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion.
Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

1. *completion intervals that are open at the time of the estimate but which have not yet started producing;*
2. *wells which were shut-in for market conditions or pipeline connections; or*
3. *wells not capable of production for mechanical reasons.*

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or

other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

Exhibit 107

Calculation of Filing Fee Table

Form S-1
(Form Type)

BKV Corporation
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price(1)(2)	Fee Rate	Amount of Registration Fee
Fees to Be Paid	Equity	Common Stock, par value $0.01 per share	457(o)	—	—	$ 100,000,000	$ 0.00011020	$ 11,020
		Total Offering Amounts				**$ 100,000,000**		**$ 11,020**
		Total Fees Previously Paid						**—**
		Total Fee Offsets						**—**
		Net Fee Due						**$ 11,020**

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes common stock issuable upon exercise of the underwriters' option to purchase additional shares of common stock.